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CIS

VOCATIONAL REHABILITATION PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

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CONTENTS

JULY 14, 1983

Page

Vocational Rehabilitation Program 1

WITNESSES

Drach, Ronald W., national employment director, Disabled American Veterans 11
  Prepared statement of Mr. Drach 65
Lemons, Dr. Stephen L,. Director, Vocational Rehabilitation and Counseling Service, Veterans' Administration, accompanied by Harold A. Cooprider, Assistant Director for Operations and Coordination, Veterans' Administration, and Robert Dysland, Deputy Assistant General Counsel, Veterans' Administration 3
  Prepared statement of Dr. Lemons 19
Mayo, Philip R., special assistant, National Legislative Service, Veterans of Foreign Wars of the United States 9
  Prepared statement of Mr. Mayo 63

MATERIAL SUBMITTED FOR THE RECORD

Statements:

  Loir, Maurice E., legislative director, Military Order of the Purple Heart.. 83
  Wilkerson, Philip R., chief of claims service, National Veterans' Affairs and Rehabilitation Commission, the American Legion 77

Written subcommittee questions and their response:

  To VA Administrator Walters 41
  To Dr. Stephen A. Lemons 60

VOCATIONAL REHABILITATION PROGRAM

THURSDAY, JULY 14, 1983

House of Representatives,
Committee on Veterans' Affairs,
Subcommittee on Education, Training and Employment,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:30 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Evans, and Slattery.

Mr. **Leath**. The subcommittee will come to order. We have a statement from Mr. Solomon that we will include in the record.

[The statement of Mr. Solomon follows:]

Prepared Statement of Hon. Gerald B. Solomon, a Representative in Congress From the State of New York

Thank you, Mr. Chairman. I will be very brief in my opening statement this morning.

Today we will be looking into the chapter 31 vocational rehabilitation programs administered by the Veterans' Administration for the benefit of our service-connected disabled veterans. This is undoubtedly one of the most important and worthy of all VA programs, because veterans who are willing to work are not truly reintegrated into society until they are properly trained and gainfully employed.

Specifically, this subcommittee will be examining the effectiveness of those changes in vocational rehabilitation programs authorized by Public Law 96-466. Since this is my first year of service on this particular veterans subcommittee, I was not directly involved in the drafting of this law, and as a result, I have much to learn here this morning.

Public Law 96-466 instituted a number of significant changes in the VA vocational rehabilitation programs. Not only did this law serve to broaden the scope of these programs and create new services, but even more importantly, the comprehensive study leading to passage of Public Law 96-466 cited the need for a shift in the focus of these rehabilitation programs. The recommended shift was from simple restoration of the veteran's employability to a situation in which the ultimate goal of these programs is actual employment.

In today's hearing we will try to examine many aspects of chapter 31 programs. We will look into the effectiveness of these recommended program changes, and the status of their implementation. We will also examine the degree to which there is cooperation between the VA, the Department of Labor, and the Small Business Administration. And, of course, the success our retrained and rehabilitated veterans are meeting with the securing employment will also be of interest to us here this morning.

Mr. Chairman, I commend you for taking the initiative in scheduling this hearing on vocational rehabilitation. As I mentioned earlier, I believe this is one of our most important responsibilities, and I look forward to receiving the testimony of our invited witnesses.

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. **Leath**. The committee meets today to review a most important program for service-connected disabled veterans, the vocational rehabilitation program. The origin of the present vocational rehabilitation program was a law passed by Congress on March 24, 1943, Public Law 78-16.

The purpose of the program was to restore employability to World War II veterans who had an employment handicap due to a service-connected disability. Subsequently, the program was expanded to include Korean veterans and Vietnam-era veterans.

With the rise of the cold war and the stationing of U.S. military forces all over the world, Congress expanded the program to include veterans serving during peacetime who suffered disabilities while on active duty in the military which resulted in employment handicap. Thus, the vocational rehabilitation program is an ongoing and continuing program.

In terms of total veteran participation, the program has been a small one. Since its inception, less than 1 million veterans have trained under the program. Although more than 500,000 Vietnam veterans are entitled to disability compensation for disabilities incurred while on active duty during the Vietnam era, only 143,500 veterans of the Vietnam era have trained under the program. Today there are approximately 17,000 veterans in training under the program.

The Congress has always placed the vocational rehabilitation program among its highest priorities. During the Vietnam conflict, more than 300,000 military personnel were wounded in action against the enemy. Many of these wounded suffered the most crippling disabilities in medical history. The extensive use of helicopters and advanced technology resulted in saving the lives of many veterans, Vietnam veterans, who would have died in previous wars.

Because of Congress deep concern that these disabled veterans should receive all possible assistance to help them overcome their employment handicaps caused by their war service, two studies were mandated by Congress regarding this program. The most recent study, House Committee Print No. 167 in the 95th Congress, indicated that the existing program needed an overhaul in order to supply the best services to disabled veterans.

Following the study, the Congress amended and updated the vocational rehabilitation program, as provided in Public Law 96-466, to include many of the recommendations made in the study mandated by Congress to improve the program. The vocational rehabilitation program, therefore, not only restores employability, but provides employment and placement services so that the veteran is employed in a job for which the veteran was trained.

The subcommittee, therefore, has requested the VA to review the program as amended in Public Law 96-466. As pointed out in the law, the purpose of the vocational rehabilitation program is to provide for all service and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and to the maximum extent feasible to become employable and to obtain and maintain suitable employment.

The subcommittee wants to know if the Veterans' Administration has fulfilled these two programs of the vocational rehabilitation program and if there are problems or unexpected developments which need to be looked at to make the program more effective and more successful.

Our first witness today is Dr. Stephen Lemons, Director, Vocational Counseling and Rehabilitation Service of the Veterans' Administration.

Welcome, Dr. Lemons. You are familiar with the way the committee proceeds. You may summarize your testimony. We'll include your entire statement in the record.

STATEMENT OF STEPHEN L. LEMONS, DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE, VETERANS' ADMINISTRATION, ACCOMPANIED BY HAROLD A. COOPRIDER, ASSISTANT DIRECTOR FOR OPERATIONS AND COORDINATION, VETERANS' ADMINISTRATION, AND ROBERT DYSLAND, DEPUTY ASSISTANT GENERAL COUNSEL, VETERANS' ADMINISTRATION

Dr. LEMONS. Thank you, Mr. Chairman.

Before proceeding with my testimony I would like to introduce the other members of the Veterans' Administration who are here at the witness table with me today.

On my right I'm pleased to introduce Mr. Harold Cooprider, who is my Assistant Director for Operations and Program Coordination. On my left is Deputy Assistant General Counsel Robert Dysland of the General Counsel's Office.

It is with great pleasure that I appear before you today to evaluate the improvements in the vocational rehabilitation program, authorized by Public Law 96-466. However, in order for me to review and evaluate the implementation of the current program, I believe it's necessary to briefly review some of the circumstances which led to the enactment of title I, Public Law 96-466.

In the enactment of Public Law 95-202 the Veterans' Administration was called upon to conduct a thorough study of the provisions of the veterans vocational rehabilitation program with a view to making recommendations for legislative and administrative changes. This study was completed and submitted to the President and the Congress on September 26, 1978. This study found that the veterans vocational rehabilitation program was essentially patterned after the original program in 1943 and was in need of substantial revision and modernization.

The findings and recommendations of this study were adopted by the President when he concluded that the current chapter 31 vocational rehabilitation program required major updating.

The program of vocational rehabilitation in effect at that time was designed in 1943. It was a progressive and responsible formulation and it had generally served disabled veterans well for more than 30 years. Nevertheless, the program needed revision to take advantage of what had been accomplished in rehabilitation during the intervening three decades.

A major feature of the traditional VA vocational rehabilitation program prior to the enactment of Public Law 96-466 limited the purposes of vocational rehabilitation to restoring a veteran's employability lost by virtue of a handicap due to his service-connected disability. The chapter 31 definition which equated vocational rehabilitation with training was seen as incomplete.

In the passage of title I, Public Law 96-466, there was a revision of the purpose of the program to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, for veterans to become employable, to obtain, and to maintain suitable employment. This change expanded the scope of vocational rehabilitation beyond training to include both employment and independence in daily living. And this marked a fundamental change in philosophy and purpose for the program.

When Public Law 96-466 was enacted, the VA took a number of steps to help assure that the new program would be effectively implemented. In an effort to prepare for implementation, the VA approved a reorganization in both central office and in regional offices, which resulted in the establishment of the Vocational Rehabilitation and Counseling Service in central office and concurrently units were established at each regional office.

These regional office units currently employ 276 counseling psychologists, 183 vocational rehabilitation specialists, and 165 clerical and technical support personnel. They are currently employed at all 58 regional offices and centers and at an additional 43 decentralized locations.

In late 1980 and early 1981 guidelines dealing with chapter 31 eligibility, initial and extended evaluation, individualized written rehabilitation planning, authorization of supplies and other issues dealing with employment services and the pilot program of independent living were issued.

Mr. Chairman, I would now like to turn to an update of our current efforts and a review of the improvements in the law which have particular relevance to employment. Your concern with the administration of vocational rehabilitation services authorized under title I is entirely appropriate. Despite encouraging signs of economic recovery, too many of our service-connected disabled veterans are unemployed. The VA is committed to assisting these special individuals through the provisions of the vocational rehabilitation program as well as provisions of other title 38 aspects which require that the VA take positive action to assure that veterans receiving employment and other services do receive those for which they are eligible.

Since implementing the law, we have provided a comprehensive initial evaluation to each veteran who requests assistance under chapter 31. Initial evaluations have been provided to over 100,000 disabled veterans, while extended evaluations, to help assure that seriously disabled veterans are afforded every opportunity to become employable and employed, were provided to over 2,500 seriously disabled veterans.

Mr. Chairman, we have found that the individualization of services and their delivery on a timely basis is critical to the success of our rehabilitation efforts. The law requires that an individualized written rehabilitation plan be developed in each case in which a veteran has a serious employment handicap. We are going beyond this by requiring that an IWRP be developed in all cases. This reflects our belief that comprehensive planning is essential to our implementing a holistic approach to rehabilitation.

To assure that comprehensive employment planning takes place, an individualized employment assistance plan is developed in each case in which a veteran is ready to pursue a specific employment goal. The committee has indicated a special interest in the extent to which VA staff provide direct employment assistance and utilize the services and resources of other agencies.

Employment services have been furnished to 12,387 chapter 31 veterans since April 1, 1981. Of these 12,387 veterans, 62 percent have been placed so far. VA staff have provided direct placement assistance in approximately half of all cases. The services of DVOP's have been used in 36 percent of all cases, and the assistance of other public agencies and organizations has been provided in 39 percent of cases served.

We have learned that in some offices deficiencies exist in the provision of employment assistance. Our recommendations, when these instances are developed, generally call for additional staff training and a reordering of staff priorities to assure that necessary services, including appropriate followup services, are provided. We have been working very closely with the Department of Labor in carrying out our responsibilities in areas of employment and training. We have assisted DOL in the marketing of the targeted jobs tax credit program. VA and DOL have issued instructions regarding the out-stationing of DVOP's at VA and other locations, and a survey of VA indicates that as of July 1, 1983, 239 DVOP's of a possible 2,016 are currently out based directly in VA facilities.

We have developed a new cooperative agreement between the Veterans' Administration and the Department of Labor, which incorporates organizational, legislative, and programmatic changes and encompass all VA and DOL components.

Mr. Chairman, while this hearing is particularly concerned with the employment-related provisions of chapter 31, I would like to briefly present some current information on the status of the pilot program of independent living services. As of June 1, 1983, 141 veterans have been approved for the independent living program and 125 veterans are currently receiving assistance. A majority of participants, 87 percent, have a disability rating of 100 percent. But this is an area in which an example may tell us more about the independent living program than statistics.

One of the pilot program participants is a 22-year-old veteran who, while on active duty in the Navy, fell 30 feet from a bridge. He is rated 100 percent service-connected for skull fracture, and visual and perceptive impairment. Prior to pilot program participation, the veteran lived at home with his parents who provided all of his care. He was unable to ambulate, bathe, dress, shop, cook, pay bills, do laundry, or even keep medical appointments without moderate or complete supervision.

But as a result of his pilot program participation, the veteran is now able to perform a majority of these tasks without any assistance or supervision.

Perhaps more importantly, at the program start the veteran felt he was useless and that things were not going well in his life. At program termination, however, he reported he likes himself and that things are improving. His quality of life is better and his future far brighter than one could ever have hoped for.

Mr. Chairman, we have taken several steps to establish an improved system for providing management information and program evaluation to all levels of VR&C and VA management. Our systematic analysis of operations and our comprehensive quality review program now permit program managers to periodically examine and, where required, adjust critical elements of the program.

We are taking additional long-range steps to improve our administration of the chapter 31 program by an expanded utilization of the data processing support available through the TARGET system. Broadening the TARGET system to incorporate chapter 31 is a vast undertaking.

The first phase projected for fiscal year 1984, will enable us to track each veteran's progress through various phases of the rehabilitation process and help us to assure that appropriate action is taken. Expanded information for management purposes will also be captured as a byproduct of our chapter 31 TARGET activities.

The issue of regulatory development is another area which has been of considerable concern to us. A basic decision was made at the time the law was enacted to replace the existing series of chapter 31 regulations with a totally new and reorganized system. We expect to complete this comprehensive set of chapter 31 regulations shortly.

Mr. Chairman, the final area I'd like to comment on is professional training and staff development. Systematic staff development is one of the major means through which identified weaknesses in staff performance can be eliminated and quality improvement effected.

We are meeting staff development needs through on-going in service training, through formal education and training programs, through central office-sponsored training programs, through locally arranged professional meetings, and through regularly scheduled conference calls between central office and regional offices.

In August 1981, the Commission on Rehabilitation Counselor Certification, a body established to promote excellence in the delivery of quality rehabilitation counseling services to the public, delegated authority to the Vocational Rehabilitation and Counseling Service in central office for granting rehabilitation counselor certification maintenance credit for VA staff development training.

Since August of 1981 we have approved 60 separate training programs for rehabilitation counselor certification maintenance. In addition, training and staff development activities at the local level have averaged approximately 5,540 hours per month for the first 8 months of the fiscal year and 88 percent of these hours are provided within VA directly.

At the national level the key activity has been a series of four workshops which we held for VR&C officers in 1981 and 1982, and a followup national meeting is scheduled for next month.

Mr. Chairman, as a result of our implementation of these many initiatives, we are confident that improvements in the VA vocational rehabilitation program, as envisioned by Public Law 96-466, have been made. The number of veterans requesting and being provided services under chapter 31 has increased. Service-disabled veterans are coming to see the VA vocational rehabilitation program as a viable rehabilitation resource.

The goal of the program is now employment, and it is a goal we are committed to assisting disabled veterans to pursue and achieve.

Mr. Chairman, in the interest of time I have summarized my presentation but would request that the full text of my statement be included in the record. I should be pleased to respond to any questions you may have. This concludes my testimony.

Mr. LEATH. Thank you, Dr. Lemons, for that excellent statement. We will include your entire statement in the record, and it sounds like you are making some progress.

[The prepared statement of Dr. Lemons appears on p. 19.]

Mr. LEATH. The American Legion statement indicates that they are concerned with recent policy directives from your service which would, in their opinion, restrict or curtail veterans from being accepted in the program. While the statement does not identify the particular policy statement they refer to, would you have any knowledge to what this might be and, if so, have a comment on it?

Dr. LEMONS. I would have a comment, Mr. Chairman, in that the nature of our implementation of Public Law 96-466 is to communicate to our professional staff and to the population we are serving that the purpose of rehabilitation is a restoration of lost employability and employment. It is not, as it had been prior to the enactment of Public Law 96-466, an educational assistance program. Accordingly, we are attempting to market the program in a different fashion, communicating what essential elements of an evaluation are needed, and what essential planning services are to be provided to veterans prior to the authorization of services.

It is true that an initial IWRP, as it is developed, is presented to a veteran as a comprehensive plan which will be reviewed and revised as often as necessary, and as a veteran progresses in his or her program, all of the terms of a plan might be changed. The veteran will be provided an opportunity to participate in these changes and is provided copies of the revised plan.

We do not believe that we are negatively impacting on veterans most in need of service, and it should be pointed out a major aspect of the testimony provided in support of Public Law 96-466 was that veterans should not be presumed to be in need of services unless the evidence that is developed in the planning and evaluation process clearly indicates the need for such services.

Accordingly, those veterans who are more seriously disabled are having more resources directed toward their activity.

Mr. LEATH. You state that 125 veterans are currently participating in the independent living pilot program and that the majority of these participants have a rating of 100 percent disability. What would be the geographic distribution generally of the participants? For example, does each of the rehabilitation agencies and regional offices have one or more in the program or have you run into any unanticipated problems in the program up to this point?

Dr. LEMONS. I would have to say our unanticipated problems were the extensive difficulty in identifying candidates who can benefit from such services and, equally important, identifying suitable resources to bring to bear on the veterans' problems. We have had a lag in field staff having the capabilities to identify such veterans and also to plan comprehensive services for them.

We have provided extensive training to the staff. We have elicited the assistance of the Department of Medicine and Surgery, major service organizations and major rehabilitation professional organizations in support of our identification efforts. Most offices do have, I believe, a minimum of one candidate, and this is as a result of our bringing considerable pressure to bear through establishment of quotas as a minimum.

As you are aware, there was a limited number of possible participants, and a decision could have been made to target our efforts in isolated areas. But we believe that since this was a benefit in a benefit program that it was prudent to have the benefit available at all regional offices so that veterans in need of such services can be provided with those services.

An interesting aside is that of the individuals who were not approved for pilot program participation. The vast majority of those veterans were disapproved because it could not be determined that they couldn't participate in the regular program. Our efforts were redirected toward either additional evaluation or giving these veterans the benefit of the doubt as to a vocational potential being within their grasp and getting them into the regular rehabilitation program.

Mr. LEATH. In a response to questions submitted to you prior to the hearing, you indicated that since April 1, 1981, 4,683 veterans have been placed in suitable employment. Do you have followup to determine how many of these veterans have continued in that employment for at least 6 months or any period of time, for that matter?

Dr. LEMONS. Those individuals are those who have been followed up for a 3-month period to determine to have been suitably employed and maintaining the employment that they have obtained as a result of our effort.

Mr. LEATH. So, the 4,683 would——

Dr. LEMONS. Would be veterans who are certified as having obtained and able to maintain suitable employment. Only at that point do we terminate their involvement and our followup of their activities.

Mr. LEATH. I have some more questions, Dr. Lemons, that I'll submit to you which we'd appreciate your answering for the record.[1] But we won't belabor them at this point.

My colleague, Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman. I apologize for being late, and Doctor, I apologize as well, because you may have tried to answer some of the questions.

But the DAV has submitted a statement stating that it takes approximately 3 to 4 months for a veteran to obtain a counseling employment under vocational rehabilitation and as a result many veterans do not apply. Is there any way to speed up that process, and my question being new to the committee, or perhaps you answered it, is why does it take that long to get what appears to be like the initial appointment?

Dr. LEMONS. I read the DAV statement and it was an issue of concern to me. However, I believe that the example was an isolated instance. Our current timeliness standards call for initial counseling and evaluation appointments to be given within 15 days of receipt of the application and we are endeavoring to meet that type standard.

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[1] See p. 60.

It's difficult when you are successful in rejuvenating a rehabilitation program, as we have attempted to be, in that your response sometimes does pick up in areas and, while we've had wide variability of results, in some areas the response has been very, very significant, and we have attempted to speed up the process in those instances.

Mr. EVANS. I have no other questions, Mr. Chairman. Thank you, Doctor.

Mr. LEATH. Thank you, Dr. Lemons We appreciate it. It sounds like you're getting it started right.

Dr. LEMONS. Thank you.

Mr. LEATH. Is Mr. Mayo here? Yes. OK, Phil. Our next witness will be Mr. Philip Mayo, special assistant to the National Legislative Service of the VFW.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. LEATH. Welcome, Phil.

Mr. MAYO. Thank you, sir.

Mr. LEATH. You've been here enough, I think, to know how to do it, so just get after it.

Mr. MAYO. I'd be happy to, sir.

I'd like to first thank you on behalf of our membership for inviting us to present our views regarding the Veterans' Administration's improved vocational rehabilitation program.

Mr. Chairman, the personnel in the VA's vocational rehabilitation program, under the able guidance of Dr. Lemons, have sincerely sought, in our opinion, to completely implement all aspects of the law. He has demonstrated competence in managing the program and this, we believe, has been transmitted to those involved with it. He's remained accessible to us; he's responded to our concerns.

It's also important, we think, to keep in mind in evaluating the program at this time, that the personnel involved with it are learning and designing as well as implementing. We have found the VA personnel to be extremely competent in the counseling and psychological aspects of the program, but we believe the entrusting of the multiplicity of employment-related aspects of the program to them, as was accomplished in the law, does not mean that they automatically had the knowledge to successfully accomplish them.

We believe that there is a need for greater in-service training for staff, for keeping up with the state of the art as well as successfully implementing the program. I think Dr. Lemons pointed that out. We believe that economies in Government, budget-wise, have not enabled the VA to adequately promote staff development. And this cannot but adversely affect the program.

We also believe that the VA and the Department of Labor should work closely together, particularly during this time of economic resurgence, and particularly in the area of coordinating efforts with the DVOP program in placement.

Also, Mr. Chairman, before this and the Senate Veterans' Committee is legislation that we believe, once enacted, will provide an important adjunct to the VA and the Department of Labor in their efforts to successfully implement the employment aspects of this program. I refer to the emergency jobs training measures. Enactment of these measures, or a measure of this sort, will, we believe, add one very important ingredient to the success of placing disabled veterans, and that is a tangible incentive to employers to hire disabled veterans.

In summary, we believe much has been done to successfully implement the program but much remains to be done.

We view the revitalization of this program as a notable example of legislative wisdom and foresight and, accordingly, we express our sincere gratitude to you and the subcommittee and the Congress, as well as the VA, for the effective job in getting it enacted and implementing it.

That concludes my oral statement.

[The prepared statement of Mr. Mayo appears on p. 63.]

Mr. LEATH. Thank you, Phil, for your excellent statement in support of the program. I'm sure Dr. Lemons enjoyed that too since you're bragging on him there. We don't have that too often, Dr. Lemons.

And I noted that you indicated that the VFW membership has now reached 2 million members.

Mr. MAYO. Very close to it, sir, and it keeps growing.

Mr. LEATH. We, of course, congratulate you for that. Do you have any estimates on the number of your members who are receiving disability compensation or how many have used or might currently be using the vocational rehabilitation program?

Mr. MAYO. I wouldn't be able to provide you that, sir, because I simply do not know. I don't know that we break down in any way among our membership those sorts of details. I can tell you that we have a great many disabled veterans on our staff, both here in Washington and nationally. For instance, right here in Washington one of our field representatives is a 100-percent disabled veteran who trained under this program and who's very, very happy with it, all aspects of it.

Mr. LEATH. In reference to the independent living pilot program, has the VFW made any efforts to refer candidates to the VA under this program or is there something that is being put together?

Mr. MAYO. We try to follow those in the program through our field representatives who go about the country looking into what's going on in the hospital systems and the regional offices. And they do specifically inquire about these cases. But as far as our service officers and our people specifically recommending or finding people to get into the program, I do not know that that is done.

I do know, however, that we don't turn our head to such circumstances, if we are aware of them. Our posts in the communities are very active in assisting veterans.

Mr. LEATH. Mr. Evans.

Mr. EVANS. Thank you, Phil.

Mr. MAYO. Thank you, sir.

Mr. **Evans**. We very much appreciate it.

Mr. **Mayo**. Certainly, sir.

Mr. **Leath**. Our final witness will be Ron Drach, national employment director of the DAV. I'm glad you're not in Florida this week, Ron; it's too hot.

Welcome. There again, you've been here enough times to know how to proceed. So, you may do so.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. **Drach**. Thank you very much, Mr. Chairman. I guess if I've learned any lesson in the last couple of months, it's not to take a vacation during congressional hearings. I guess I'll never live that one down.

Mr. **Leath**. Well, we just ride you a little bit, that's all. We're just jealous.

Mr. **Drach**. I guess I have Butch to blame, I guess, as much as anybody else for that.

Again, on behalf of the membership of the Disabled American Veterans, I want to take this opportunity to thank you for conducting these hearings which, in our opinion, is certainly a continuation of the concern shown by members of this subcommittee for the rehabilitation and readjustment of our Nation's disabled veterans into the mainstream of life, specifically as it relates to employment.

You know, I think one perhaps philosophical standard that I believe in very strongly is that, you know, we can provide adequate health care, can provide adequate compensation, and other benefits, and even a good, comprehensive vocational rehabilitation program. But if at the end of all this the individual was still not gainfully employed, I have to question whether or not we've been successful in the rehabilitation of that person, and I'm a strong believer in giving people the opportunity to prove themselves through the method of the world of work.

Certainly the area of vocational rehabilitation, as it's implemented by the VA, is not a new subject to this subcommittee. Over the years there has been much discussion as to what the goal or the objective of vocational rehabilitation is or should have been, and regrettably, I think for too long, and it's nobody's fault here, but the goal up until 1980 of vocational rehabilitation had always been basically the restoration of employability and I think that's kind of a sad commentary because, again, the restoration of employability without the assurance of adequate employment opportunities may not really be cost effective when we look at the tax dollars that have been spent.

I am not going to read my entire statement. I would like to maybe discuss a little bit about the survey that we've conducted. It's not a very scientific survey. If a social scientist were to look at it, they would find numerous and many flaws, obviously. It was done in about a 2-week period. It was done very arbitrarily in terms of who I contacted and requested information from. There was no scientific method to this whatsoever.

Mr. Evans quoted from one of the comments and I just want to clarify that the issue that you raised, Congressman Evans, regarding the 2- to 3-month period, was not necessarily a criticism by the DAV against the VA. This is a comment that was given to us in the survey from a Department of Labor official on the west coast. Now, whether it's accurate or not I don't know. But it certainly raises questions and I think it's something that Dr. Lemons needs to look into as well as we as a veterans organization need to look into.

We found several areas that if, indeed, are true, some pretty serious deficiencies exist and we will take those up with Dr. Lemons at a later time to try to resolve some of those.

I think perhaps the first response that I got back from this survey, which came from an eastern seaboard industrial town that has about a 25- or 30-percent unemployment rate—there are, regrettably, quite a few of those cities on the east coast—but one of the biggest problems as seen through the office of the individual responding was that there was a very strong competition for a limited number of jobs, and you take a disabled veteran, attach the additional, perhaps, still stigma of being a Vietnam-era veteran, and put that person, perhaps, inadequately rehabilitated, inadequately trained, out into a highly competitive job market, that perhaps tells us the importance and the need for enactment of H.R. 2355.

Again, philosophically, we're somewhat opposed to paying employers to hire veterans. But by providing some of these other initiatives we need to give that disabled veteran that extra edge, and if that's what it's going to take, then hopefully we can see the enactment of H.R. 2355 very shortly.

But it also brought up other questions or comments about incentives, if you will, targeted jobs tax credit. In this particular city, by contrast to a southeastern city, it was not used. I noticed in yesterday's Wall Street Journal that the targeted jobs tax credit program, in toto, has dropped significantly, that it's not being used as it was in the late seventies. And I think even though it's not under the jurisdiction of this committee, it is something that perhaps needs to be looked at a little more closely as it affects disabled and Vietnam-era veterans.

As you know, under TJTC, disabled veterans who participate in VA vocational rehabilitation or State vocational rehabilitation for handicapped individuals, are automatically entitled to participate in targeted jobs tax credits. As I indicated, in the one eastern city that nothing's being done. In a southeastern city every graduate, if you will, of vocational rehabilitation in that particular city gets certified right off the bat. There's an incentive that that particular disabled veteran can take and try to market with an employer, that that employer is eligible to take the tax credit. Perhaps this is something that Dr. Lemons could look at as a matter of policy requiring all of the field stations to do this automatically. It's provided for by law. The veteran is entitled to it and it might mean the difference between getting the job and not getting the job.

It also raised the question of the current authority or the lack of use of the current authority by the Administrator to make payments to employers for providing on-the-job training for veterans who have been rehabilitated already under chapter 31. That's not totally unlike some of the provisions in H.R. 2355.

It's my understanding that that's not been used at all and I would hope that the Administration or the Administrator, and Dr. Lemons, would look into that possibility also, to extend beyond the actual academic training some payments to employers to hire these individuals.

One other city, again, I happen to know that there's about a 25-percent unemployment rate, they got off the dime back in 1978. They assigned a DVOP to the USVAC center. But despite the 1980 vocational rehabilitation amendments and other initiatives, they've remained pretty much status quo. They haven't done really anything.

I haven't identified any of the cities in my testimony but I will work with Dr. Lemons to deal with some of these concerns and, hopefully, get them resolved. And hopefully they are isolated issues, and that's why I didn't want to necessarily, you know, identify the areas. I already mentioned one other southeastern city. Another southeastern city, the report I got was pretty good. They seemed to be working fairly adequately together. DVOP and local VER's were assigned to the vocational rehabilitation people on an individual basis so that hands-on transition was being made from the training to the actual job market. That seems to be, perhaps, the key, the individuality placed on each of these individuals and the job development that goes along with that.

There was a potential—well, there was a qualified recommendation that perhaps we look at establishing local advisory committees, if you will, on vocational rehabilitation similar to the national advisory committee. The caveat there was that "Don't make a committee just to meet monthly and talk about things; make it a working committee and leave a lot of the politicians out of it so that it doesn't become a political football at the local level. But make it a really working committee and meet as needed as opposed to anything really formally structured."

Also from the Southeast we learned something that is relatively disturbing and, again, I'm not sure who to blame on this, because we've heard of similar problems. The job service says that vocational rehabilitation participants are being referred who are not job ready. I think we need to look at whose responsibility it is to determine the job readiness of that candidate before they're referred to the job service. I think we know from experience that employers don't want to interview people who aren't job ready, and obviously the job service should not be interviewing these individuals either.

The other thing that disturbed me was that the old system of referrals seems to be working well or not working well as the case may be. One thing that we learned in the late seventies on developing an outreach program for Vietnam veterans was that you can't make referrals. You can't say, "Well, go down to the unemployment office," or "Go down to the VA." It's got to be individualized, again. The counselor or whomever, whether it be a service officer, a vocational rehabilitation counselor or whomever, has to pick up the phone and make an appointment with whomever is going to be doing the job development.

The other thing that, again, was disturbing, this is an allegation made, at least on one case, of a veteran saying that the VA made him pursue a degree program that he had no interest in and no desire to take. Again, hopefully it's an isolated case, but if it's not, then that certainly raises a lot of questions about how the program is running. And again, I want to qualify these are just instances that were brought to my attention and I'm not making broad allegations on these. But it's something that we need to look at.

I mentioned on a more positive note the targeted jobs tax credit is working at least administratively, maybe not in terms of actual jobs, but at least every eligible veteran is getting certified in this one city.

The 3- to 4-month problem that Congressman Evans pointed out comes from the west coast, again, not directly related to VA, but a comment came back from the west coast that the chapter 31 participants are not referred to SBA because there's nothing for them in SBA. Need we discuss that any further?

And the other thing that kind of disturbs me also is that from the same city I'm told that 20 to 30 percent of the veterans applying for chapter 31 are ineligible and, again, I hope that's an isolated instance and I just can't understand why there would be such a high rate of ineligibility because it just shouldn't be, in our opinion. So, these are some of the things that we'll be working with Dr. Lemons and his staff to try to get more answers to.

That concludes my presentation, Mr. Chairman. I'd be happy to answer any questions.

[The prepared statement of Mr. Drach appears on p. 65.]

Mr. LEATH. Thank you, Ron.

When you referred to some of the veterans not being job ready, do you think that would mean from a training standpoint or some other standpoint that they weren't considered job ready?

Mr. DRACH. Well, taking it from a broader issue, Mr. Chairman, and not just this particular instance, some of the problems that we've seen over the years in terms of job ready, some veterans, some people for that matter, want to start out at $10 an hour and they don't want to start at the bottom of the ladder and work their way up. So, concurrent with that a lot of the jobs that are listed at the job service are entry-level jobs, perhaps 95 percent or more.

So that when the veteran comes in thinking that he or she can get a job at $10 an hour and the job counselor or the LVER says, "Well, you know, there really aren't any jobs at that rate; you're going to have to start at the bottom," or "You're not qualified for a job that pays $10 an hour," the catch-all phrase of "not being job ready" comes into play.

On the other hand, we've heard horror stories where the job service is so inundated with claimants or applicants for jobs that the interviewer, be it the local VER or DVOP gets a phone call from an employer who wants a truck driver and perhaps a job that a veteran could fill because that veteran drove numerous types of trucks in the service. But all too often, because of the heavy workload, the employer interviewer would say, "Who knows how to drive a truck?" and this guy who maybe drove a pickup truck on his grandfather's farm when he was 15 years old raises his hand, and he goes out there on the interview and obviously he's not a truck driver. So, it's noted on his application form, "Not job ready."

So, there's a whole bunch of problems there and I think, again, the individualized treatment is very, very important, whether it's a vocational rehabilitation specialist, a vocational rehabilitation counselor, a DVOP, a service officer. I think the individual has to be looked at very, very closely before they're referred.

Mr. LEATH. I think we would all agree that if we can get H.R. 2355 enacted and get it out in the field, that what we're doing is making an effort to tie a lot of loose ends together and pick up some things that we aren't doing. The thought just occurred to me as you were up here talking and as we've listened to the testimony this morning, that apparently Dr. Lemons and his people are doing a good job with what they've got to work with. What would be your response to the idea of this committee exploring a little bit further the possibility of bringing more of this total concept, H.R. 2355, this program, then it will obviously be so successful that we will most likely want to expand it some when we get the proof that it will work?

What would be wrong with the idea of next year, perhaps, of exploring the possibility of upgrading Dr. Lemons' office over there to do a little bit more of the work within the VA, as having to depend on some of these other independent agencies?

Mr. DRACH. Maybe as an Associate Deputy Administrator?

Mr. LEATH. Something like that, yes.

Mr. DRACH. I think that's something that's worthy of looking into.

If I could make one other recommendation, that notwithstanding—that's something I'll take up with Dr. Lemons later on also—is in my prepared testimony I identified some of the programs and their inherent deficiencies that we've seen over the years and I think if he hasn't already given some thought to this, I think some of these existing programs that are out there, such as the special appointed authorities and the unpaid work experience within the Federal Government, could be better utilized if the people that are dealing with it at the local level understand it better. I know it's not going to be easy. His people are not placement specialists. We don't necessarily want them to be placement specialists. But we would like to see, perhaps, a better and closer coordination.

Some of the Federal agencies are interested in hiring veterans under these various programs and, again, it's a problem of identification and coordination and bringing everybody together.

Mr. LEATH. I understand from your statement that the quality of services delivered to veterans under chapter 31 will vary considerably in different parts of the country. In your view what actions should be taken to insure that all chapter 31 trainees receive the best possible service from the VA?

Mr. DRACH. Well, I don't know that there's an easy answer to that, Mr. Chairman. I don't know any easy answer to it. I think, you know, Dr. Lemons has his work cut out for him in trying to establish some basic standards to be applied across the country. You're going to have, when you're dealing with the individuals administering the programs locally, just like in prosthetics, you're going to have some more liberal interpretations in one part of the country than you are in another part of the country, and being in that part of the country, in and of itself, is not necessarily indicative of the attitude.

But I'm not sure that you want to overstandardize it. Again, the individuality has to be looked at. You know, the bilateral amputee may need a lot more than a single amputee. Or the blind may need a lot more than the double amputee. So, I think there's a lot of individuality that has to go into it, but yet I still think that some standards could be developed that—an example that I probably overuse is the opticon for the visually impaired, the opticon, if necessary, for the rehabilitation. There shouldn't be any question that if a visually impaired person needs that opticon to maintain good grades in an academic setting, that that opticon should be given to that individual without any question, and maybe those are some areas that could be looked at.

Mr. **Leath**. OK. As you know, the VA was granted the authority in Public Law 96-466 to make payments to employers for providing on-the-job training to chapter 31 trainees. The VA has never used this authority. Do you believe an increased utilization of this authority would enhance employment opportunities for disabled veterans?

Mr. **Drach**. I think it would and, again, there's no, perhaps, real easy answer for it other than trying to work together at the local level so that everybody is aware of it. Perhaps the people in the vocational rehabilitation program, administering the program, are aware of it. But how many outside that program know it? How many DVOP's are aware of that? How many local VER's are aware of it? So that when a DVOP is trying to develop a job opportunity do they know that that is there?

I think we have to look at perhaps the lack of coordination thus far between the Assistant Secretary for Veterans Employment Office and the vocational rehabilitation office. Are they really as closely knit as we think Congress intended them to be? I'm not too sure about that. I think that that's an area that we have to look at very closely.

Mr. **Leath**. Mr. Evans.

Mr. **Evans**. No questions, Mr. Chairman. I just wanted to thank you for clarifying my error in reading your testimony.

Mr. **Drach**. That wasn't an error, sir. Thank you.

Mr. **Evans**. Thank you.

Mr. **Leath**. Thank you, Ron. We appreciate it very much.

Without objection, I request that the statements of Mr. Philip Wilkerson of the American Legion[1] and Mr. Maurice Loir[2] of the Military Order of the Purple Heart be made a part of the hearing record.

As I indicated at the beginning of the hearing, the vocational rehabilitation program is a program of the highest priority with the Congress. If there is any one single program which carries out Abraham Lincoln's words, "To care for him who has borne the battle," it's the vocational rehabilitation program.

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[1] See p. 77.

[2] See p. 83.

We've learned today that the VA has made great strides in helping our veterans to overcome their handicaps. All, however, have not been successful in their efforts to become employable and find employment. We know that there are many reasons for this. Generally, the VA has been commended by the veterans organizations for the good job that you're doing, and I agree with this assessment.

However, we can never rest until the program is so effective that every disabled veteran who receives training under this program is placed in a position for which the veteran was trained. A great deal of valuable information has been submitted to the subcommittee today and we will continue to work together to achieve this very worthy objective, and Dr. Lemons, thanks again to you and your staff.

Do you have any closing comments, Lane?

Mr. EVANS. No, Mr. Chairman.

Mr. LEATH. Thank you very much, and the committee stands adjourned.

[Whereupon, at 11:23 a.m., the subcommittee recessed, subject to the call of the Chair.]

APPENDIX

STATEMENT OF DR. STEPHEN L. LEMONS
DIRECTOR
VOCATIONAL REHABILITATION AND COUNSELING SERVICE
VETERANS ADMINISTRATION
BEFORE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
JULY 14, 1983

Mr. Chairman and Members of the Subcommittee:

It is with great pleasure that I appear before you today to review and evaluate the improvements in the Vocational Rehabilitation Program authorized by Public Law 96-466, with particular emphasis on the effectiveness of these new provisions in the efforts of the Veterans Administration to assist service-connected disabled veterans in finding and maintaining long-term meaningful employment.

In order for me to review and evaluate implementation of the current program it is necessary to briefly review some of the circumstances which led to the enactment of Title I of Public Law 96-466.

In the enactment of Public Law 95-202, the Veterans Administration was called upon to conduct a thorough study of the provisions of the veterans' vocational rehabilitation program with a view to making recommendations for legislative or administrative changes in the program. This study was completed and submitted to the President and the Congress on September 26, 1978 (Senate Committee on Veterans' Affairs Print No. 26, 95th Congress; House Committee on Veterans' Affairs Print No. 167, 95th Congress). This study found that the veterans' vocational rehabilitation program was essentially patterned after the original program in 1943 and was in need of substantial revision and modernization.

The findings and recommendations of this study were adopted by the President in his message to the Congress on the status of Vietnam era veterans submitted October 19, 1978, when he concluded that the current chapter 31 vocational rehabilitation program required "major updating."

The program of vocational rehabilitation in effect at that time was designed in 1943 when it was a progressive and responsible formulation and has generally served disabled veterans well for more than 30 years. Nevertheless, the program needed revision to take advantage of what had been accomplished in rehabilitation during the intervening 3 decades. Congress, in requiring the study, directed the VA to analyze its authority in comparison with that of the Rehabilitation Act of 1973, administered by the Department of Health, Education, and Welfare. Our study concluded that an updating of our own rehabilitation authority was necessary and appropriate.

A major feature of the traditional VA vocational rehabilitation program limited the purpose of vocational rehabilitation to restoring a veteran's employability lost by virtue of a handicap due to a service-connected disability or disabilities. Our study recommended that the purpose of this program should encompass not only the achievement of employability, but also entry into and adjustment in, suitable employment, including self-employment where appropriate. Such revision is consistent with the generally accepted goal and criterion of vocational rehabilitation and is also consistent with current practice under which a rehabilitation agency is seen as the most effective agent for carrying the process of vocational rehabilitation to its completion in successful employment.

The chapter 31 definition which equated vocational rehabilitation with training was seen as incomplete in two important areas. First, it omitted certain essential services. There was neither provision for pretraining services for veterans whose training and employment goal is indeterminate nor provisions for direct employment, placement, or adjustment services necessary for the achievement of actual employment. Second, the limited definition resulted in a fragmented concept of vocational rehabilitation which did not consider rehabilitation to be a unified, multidisciplinary process. Consequently, it promoted the provision of VA vocational rehabilitation services as separate services, rather than as integrated and coordinated components of an overall process. The study recommended that the program provide all services needed--pretraining, training, and posttraining--beginning with the identification of the handicapped service-disabled veteran and continuing with his or her rehabilitation on into employment whenever feasible.

Additional recommendations concerned changes in eligibility and entitlement, the need for an ongoing training and staff development program, and other provisions to bring about desired improvements in the program. The Congress, after consideration which included legislative proposals offered by the Veterans Administration, enacted the new vocational rehabilitation program as Title I, Public Law 96-466, effective October 1, 1980. The changes revised the purpose of the program to enable veterans with service-connected disabilities to achieve maximum independence in daily living and to the maximum extent feasible to become employable, and to obtain and maintain suitable employment. This change expanded the scope of vocational rehabilitation beyond training to include both employment and independence in daily living and marked a fundamental change in the philosophy and purpose of the program.

Other changes designed to carry out this broadened purpose included a comparable broadening of the scope of services which could be authorized (including employment services), provisions for a comprehensive initial evaluation in each case as a basis for determining eligibility and program planning, provisions for an extended evaluation to determine if vocational rehabilitation was reasonably feasible when this determination could not be made during an initial evaluation, a mandate for joint formulation of an individualized rehabilitation plan for a veteran with a serious employment handicap, an increase in subsistence allowance, the establishment of a program of staff development, and a charge for the VA to conduct a 4 year independent living pilot program to assist veterans for whom a vocational goal is not reasonably feasible.

Mr. Chairman, when Public Law 96-466 was enacted, the VA took a number of steps to help assure that the new program would be effectively implemented. Prior to enactment of Public Law 96-466, the development of policy and procedure for vocational rehabilitation was part of the Education and Rehabilitation Service in DVB. Responsibility for field operations was under the jurisdiction of the Veterans Service Divisions in the regional offices. In an effort to prepare for implementation of the anticipated law, the Administrator approved a reorganization in both Central Office and regional offices which resulted in the establishment of the Vocational Rehabilitation and Counseling Service. This Service was charged with the responsibility for developing policies and procedures, as well as the overall administration of chapter 31, and provisions for counseling services under chapters 32, 34, and 35. Concurrently, units were established at each regional office designated as Vocational Rehabilitation and Counseling Divisions. These Divisions employ 276 counseling psychologists, 183 vocational rehabilitation specialists, and 165 clerical (technical support) personnel, who are currently stationed at 58 regional offices and centers, and 43 decentralized locations. Additionally, on a limited basis, contract guidance centers supplement counseling and evaluation services provided by VA staff. Counseling psychologists are responsible for providing an initial evaluation through which eligibility and entitlement are determined and information needed for program planning is developed. The counseling psychologist, vocational rehabilitation specialist, and the veteran then collaborate on the formulation of the veteran's specific rehabilitation plan, with the VRS being responsible for the timely implementation of the provisions of the plan, including provision of employment services.

Mr. Chairman, I will now turn to the programmatic steps which the newly organized VR&C Service and other VA elements took to implement the law. While a number of the provisions of the law, such as an increase in subsistence allowance rates, were effective October 1, 1980, and October 17, 1980, most of the provisions which significantly altered the purpose and operation of the program became effective April 1, 1981. Between October 30 and November 7, 1980, we issued instructions on the provisions effective upon enactment, including increased subsistence allowance, and other payment changes.

The law made very specific and liberal provisions for the extension of eligibility and entitlement of veterans who were participating in a vocational rehabilitation program as of March 31, 1981. On February 4, 1981, we issued comprehensive instructions to assure that appropriate action was taken to continue these veterans in their chapter 31 rehabilitation programs. As a result there was a smooth transition for all veterans participating during this period.

In considering the implementation of the sweeping changes in the program which became effective on April 1, 1981, we made several basic decisions. We determined that the most practicable approach was to develop a series of comprehensive issues on all provisions of the law affecting direct delivery of services. These issues detailed both policy and procedure, and enabled field staff to begin administration of the provisions as they became effective on April 1, 1981. Guidelines dealing with chapter 31 eligibility and entitlement, initial and extended evaluation, Individualized Written Rehabilitation Plan, authorization of supplies, incarcerated veterans, and new provisions for payment of subsistence allowance to hospitalized veterans were issued April 7, 1981. Two additional issues dealing with employment services and the pilot program of independent living were issued later in 1981. These issues were all subsequently published in the Federal Register.

Mr. Chairman, this completes my review of the initial phase of the implementation of Title I. I would now like to turn to an update of our current efforts and a review of the improvements in the law which have particular relevance to employment.

Your concern with the administration of vocational rehabilitation services authorized under Title I is entirely appropriate at a time when, despite encouraging signs of economic recovery, too many of our service-connected disabled veterans are unemployed. The VA is committed to assisting these special individuals through the provisions of the vocational rehabilitation program, and other provisions of title 38, United States Code, which require that the VA take positive action to assure that veterans are receiving employment and other services to which they are eligible under laws administered by VA and other agencies.

To assure that service-disabled Vietnam era veterans potentially eligible for chapter 31 were made aware of the VA's rehabilitation program, a one-time special outreach initiative was undertaken which provided these veterans with information on which to make a decision about applying for vocational rehabilitation.

In late Fiscal Year 1981, we released to our regional offices a list of over 526,000 names of potentially eligible veterans obtained from a comparison of VA compensation and education master records. Regional office VR&C division staff were instructed to mail appropriate motivational letters to those veterans rated 50 percent or more for a service-connected condition and who had used no chapter 31 or 34 entitlement. Additional priority groups are being identified for special mailings as local experience is obtained with the initial effort.

I would like to briefly comment on our implementation of some of the specific changes in which we have seen positive results.

Since implementing the law we have provided a comprehensive initial evaluation to each veteran with a compensable service-connected disability incurred after September 16, 1940, who requested assistance under chapter 31. The purpose of the initial evaluation is to assure that each veteran receives the opportunity for a full exploration of his or her problems in obtaining and maintaining employment consistent with his or her abilities, aptitudes, and interests, and to develop a basis for comprehensive program planning. Initial evaluations have been provided to over 100,000 disabled veterans since the enactment of Public Law 96-466. A related provision requires that if a veteran is so severely disabled that the feasibility of vocational rehabilitation cannot be reasonably determined during the initial evaluation, a period of extended evaluation of 12 months and more in certain cases can be provided to enable the VA to make an informed decision. The extended evaluation provisions help assure that a seriously disabled veteran is afforded every opportunity to become employable and employed. This option has been used by over 2,500 seriously disabled veterans since April 1, 1981.

As you are aware, the basic period of eligibility for chapter 31 is now 12 years for a veteran determined to have an employment handicap. If a veteran is determined to have a serious employment handicap, the period of eligibility may be extended beyond 12 years if necessary to accomplish a program of vocational rehabilitation. The determination of extension of eligibility because of a serious employment handicap is based upon the severity of the veteran's disabilities in relation to the veteran's problems in obtaining and maintaining employment. In addition to eligibility based upon the determination of employment handicap and serious employment handicap, eligibility may also be based directly on the need for employment services. Under this provision an employable veteran who was a prior chapter 31 participant after 1943 or a prior participant under the Rehabilitation Act of 1973 subsequent to its enactment may be provided up to 18 months and more of employment services. This provision is especially valuable for veterans whose problems in obtaining and maintaining employment do not stem from lack of job skills, but from other factors over which they have no control.

We have found that the individualization of services and their delivery on a timely basis is critical to the success of our rehabilitation efforts. The IWRP (Individualized Written Rehabilitation Plan) is the means through which program goals and the intermediate objectives needed to achieve those goals are identified. The law requires that an IWRP be developed in each case in which a veteran has a serious employment handicap. We are going beyond this by requiring that an IWRP be developed in all cases. This reflects our belief that such comprehensive planning is essential to implementing a holistic approach to rehabilitation. For a veteran in a vocational rehabilitation program, the program goal is employment in a specific field or occupation. Intermediate objectives include the education and other services needed to achieve and maintain employment in the field. The development of the IWRP is a joint responsibility of the VA and the veteran. The basis for the IWRP is the information which has been developed in the course of the initial evaluation by the counseling psychologist and the veteran. The information which has been developed is then considered by the counseling psychologist, the vocational rehabilitation specialist, and the veteran who, in consultation, determine the specific employment goal and services needed to achieve that goal. The vocational rehabilitation specialist generally helps evaluate the feasibility of various options being considered in the light of resources available for training and employment possibilities in the local area. For example, the veteran may not have been aware that accomplishment of a particular objective may require relocation either to secure training or employment, and he or she should consider such facts. It is generally in the veteran's interest to develop plans in which training and employment are locally available. However, it is also recognized that under certain circumstances relocation may be the only viable option. Agreement is generally reached between VA staff and the veteran and the plan is put into action. In those cases in which there is disagreement on the goal of the plan or the services to be furnished, which cannot be resolved, the case is referred to the VR&C Officer for review, or to Central Office if the VR&C Officer is also the counseling psychologist who handled the case. If the veteran is not satisfied with the findings made by the VR&C Officer or Central Office, he or she may appeal the case to the Board of Veterans Appeals. Our experience has been that there are few disagreements and in those instances resolution can generally be reached locally. The provisions of law which allow for resolution at the local level through professional review by VR&C staff, rather than immediate recourse to BVA has proven to be a valuable innovation.

To assure that comprehensive employment planning takes place, an IEAP (Individualized Employment Assistance Plan) is developed in each case in which the veteran is ready to pursue a specific employment goal. The purpose of the IEAP is to identify the specific services which the veteran will need in order to obtain and maintain employment, and the resources which may be used to provide these services. Employment services can include payment for licensure examinations, tools and supplies needed for employment, use of community resources such as the Employment Service or the network of DVOP (Disabled Veterans Outreach Program) staff, developing skill and confidence in job search and retention, necessary job placement assistance by VA staff, medical care, or any other appropriate service which the veteran may need to obtain and maintain employment. As noted earlier, the period of employment services may be authorized for up to 18 months and more under certain conditions.

Mr. Chairman, the Committee has indicated a special interest in the extent to which VA staff provide direct assistance and utilize the resources of other agencies. Employment services have been furnished to 12,387 chapter 31 veterans since April 1, 1981.

Of these 12,387 veterans, 7,683 or 62 percent have been placed so far. VA staff, in addition to developing comprehensive employment plans, have also provided direct placement assistance in approximately half of all cases furnished employment services. The services of DVOP's have been used in 4,439 or 36 percent of cases, and assistance by other public agencies and organizations has been provided in 3,746 or 39 percent of all cases served.

We are encouraged by the development of employment services thus far. There are few veterans at this time whose 18 month or longer period of employment services has passed since the enactment of Public Law 96-466. It is too early for us to determine the proportion of veterans receiving employment services who, at the end of the period of such services, are still not successful in obtaining suitable employment.

The reasons for placement and job adjustment problems are not difficult to identify. Some, like the effects of the economy, are beyond the veteran's control, while in other cases action is possible. In visits made by Central Office staff to examine field operations of the VR&C divisions, we have learned that in some offices deficiencies exist in the provision of employment assistance and in carrying out appropriate followup. Our recommendations in these circumstances generally call for additional staff training, and a reordering of staff priorities to assure necessary services, including appropriate followup services, are provided.

In addition to employment with established businesses and organizations, in some situations self-employment may be approved as an employment goal. Special emphasis is placed upon thorough planning and analysis, including coordination with SBA (Small Business Administration) to help assure that every self-employment plan is sound, and each veteran receives the special consideration provided in the Small Business Act. Since April 1, 1981, 789 veterans have been provided assistance in planning for and establishing small businesses. Five hundred of these 789 veterans have been sucessful in establishing small businesses. Approximately 350 veterans were provided assistance in making application with SBA. To date, six applications have been approved for loans, while a number of the remaining applications are still under SBA consideration.

We have been working very closely with the Department of Labor and other agencies in carrying out our responsibilities in the area of employment and training. I believe it would be helpful to outline for you some of the major steps we have taken with DOL.

First, we have assisted DOL in the marketing of the Targeted Jobs Tax Credit program which was created by the Revenue Act of 1978 and was subsequently changed and extended by Public Law 97-248.

The purpose of the tax credit is to provide an incentive to employers to hire certain persons from targeted groups that have a particularly high unemployment rate. The targeted groups include economically disadvantaged Vietnam veterans and disabled veterans who are or were participants in the VA vocational rehabilitation program. The VA has assisted DOL by making suggestions regarding media materials and marketing techniques. Additionally, VA staff play a major role in promoting TJTC by explaining the advantages of the credit to veterans and prospective employers.

Second, in October 1981, VA and DOL issued instructions to their respective staffs regarding the outstationing of DVOP's at VA and other locations. The instructions indicated that approximately a fourth of the 2,016 DVOP staff were to be outstationed at locations to be jointly determined by VA and DOL staff in each State. A survey by VA indicates that as of July 1, 1983, 239 DVOP's are out-based at VA facilities. The provisions of Public Law 97-306, the Veterans' Compensation, Education and Employment Amendments of 1982, modified the provisions of Public Law 96-466 dealing with the stationing of approximately 25 percent of DVOP's at VA locations to allow greater flexibility in this area while continuing to provide for appropriate support to the vocational rehabilitation program.

Third, we have developed a new cooperative agreement between the Veterans Administration and the Department of Labor, which supersedes a prior Memorandum of Understanding negotiated in 1979.

The 1979 Memorandum of Understanding reemphasized longstanding VA/DOL collaboration but it did not adequately incorporate the requirement that the VA actively promote the effective implementation of the laws and regulations which provide for special consideration for veterans. Following the appointment of DOL's ASVE (Assistant Secretary for Veterans Employment), representatives from the VA and DOL joined forces to negotiate and develop the comprehensive interagency agreement which was signed by the Administrator on June 18, 1982, and the Secretary of Labor on July 14, 1982. This agreement incorporates organizational, legislative and programmatic changes, and encompasses all the VA and DOL components except CETA (Comprehensive Employment Training Act), and the successor job training and employment programs. Discussions have been held with DOL on including the provisions of the Job Training Partnership Act in the agreement and work is underway on an amendment to the agreement to accomplish that purpose. The VA-DOL agreement also incorporated the actions taken on the two initiatives discussed earlier.

Mr. Chairman, while this hearing is particularly concerned with the employment related provisions of Chapter 31, I would like to briefly present current information on the status of the pilot program of independent living services. The purpose of this program is to provide those veterans for whom a vocational goal is not reasonably feasible with the services needed to function more independently in their family and community. As of June 1, 1983, 141 veterans have been approved for the independent living program and 125 veterans are currently receiving assistance and services. The majority of participants (87 percent) have a disability rating of 100 percent. This is an area in which an example may tell us more about the independent living program than statistics.

One of the pilot program participants is a 22-year-old veteran who, while on active duty in the Navy, fell 30 feet from a bridge in early 1980. He is rated 100 percent service-connected for skull fracture and visual and perceptive impairment.

Prior to program participation, the veteran lived at home with his parents who provided all of his care. He was unable to ambulate, bathe, dress, shop, cook, pay bills, do laundry or keep medical appointments without moderate or complete supervision and assistance. As a result of his pilot program participation, the veteran is now able to perform the majority of these tasks without any assistance or supervision. He can even cook with minimal assistance and supervision, and his ability to communicate with others and to develop and maintain friendships has improved.

At the program's start, the veteran reported he felt useless and that things were not going very well in his life. At program termination, he reported he likes himself and that things are improving. We would agree that his quality of life is better and his future far brighter than one could ever have hoped for. Extensive data is being collected on all applicants for, and participants in, the Pilot Program. Specific evaluation and recommendations will be developed and forwarded to the Congress by October 24, 1984, as required by law.

Mr. Chairman, I would now like to report on program management policies and procedures which we have established to assist us in implementing the law.

During late Fiscal Year 1981, we restructured and restandardized the VR&C work measurement system. This system now reflects the provisions of Public Law 96-466 and provides program managers with the necessary tools to determine and analyze staffing patterns. We developed a series of operating performance reports to accommodate the new system and enable management to monitor program effectiveness and staff productivity.

Also, we have taken several steps to establish an improved system for providing management information and evaluation to all levels of VR&C and VA management. During March and April 1982, we issued instructions to VR&C field operations to implement this management system. The first part, the Systematic Analysis of Operations, permits program managers to periodically examine and, where required, adjust critical elements of the program. Guidelines for monitoring of operations, such as timely scheduling for initial evaluation, provision of rehabilitation services during training, and employment assistance, and determining the quality, degree of effectiveness, efficiency and economy of services, are provided. The second part of the system involves quality review and analysis of VR&C casework. Comprehensive reviews are carried out by both VR&C field stations and Central Office staff. The Systematic Analysis of Operations and quality review programs each serves to identify aspects of the program which may need quality improvement.

The third part of the management and evaluation system requires VR&C field staff to submit monthly narrative reports on activities in specified critical areas to the program operations staff in Central Office. This enables us to have some firm outcome data, as well as greater insight into some of the new program elements, or operations particular to unique regional office VR&C configurations.

We are taking additional long-range steps to improve administration of the chapter 31 program by expanded utilization of data processing support through the TARGET system and by comprehensive chapter 31 regulatory revision. The Target system, at this time, provides very limited chapter 31 capabilities. Recognizing the potential of the Target system to provide improved management and accountability for chapter 31, we have developed a plan for revising the computer data processing environment supporting the chapter 31 program. Broadening this system is a vast undertaking.

The first phase of Target support of chapter 31 is projected for Fiscal Year 1984. It has been specifically designed to improve accountability by providing more accurate, pertinent and timely data. The system will enable us to track each veteran's progress through various phases of the rehabilitation process, and thereby help assure that appropriate action is taken during specific stages of the process. Expanded information for management purposes will be captured as a byproduct of the CH31 Target activities. Though the payment system will remain unchanged at this time, payment information and program information will be available for CH31 Target inquiry as well as for program reports.

The issue of regulatory development is another area which has been of considerable concern to us. A basic decision was made at the time the law was enacted to replace the existing series of chapter 31 regulations with a totally new and reorganized system. We expect to complete this new comprehensive set of chapter 31 regulations shortly. We are publishing the proposed regulations in five sections. Three sections already have been published in the Federal Register for comment, and the remaining two sections are in the process of being forwarded to OMB for review prior to publication.

Mr. Chairman, the final area I would like to comment on is professional training and staff development. Systematic staff development is one of the major means through which identified weaknesses in staff performance can be eliminated and quality improvement effected. It is also the primary tool for helping staff keep current regarding new theoretical and technical developments in the fields of counseling and rehabilitation that have potential for enriching and improving the quality of VR&C services. We are meeting staff development needs through ongoing VR&C inservice training, formal education or training programs, Central Office sponsored training programs, locally arranged professional meetings, and regularly scheduled conference calls between Central Office and regional offices.

Because every organization needs a composite picture of the staff available to carry out its services, in May 1981 the VR&C Service took steps to assess the education, training and work experiences of DVB Counseling Psychologists and Vocational Rehabilitation Specialists. VR&C Officers are currently using completed inventories to plan and implement local programs of staff development. Along with the inventories, a new job description and a program of staff development to upgrade counseling and other skills needed for Vocational Rehabilitation Specialists to carry out new duties and responsibilities were provided.

In August 1981, the Commission on Rehabilitation Counselor Certification, a body established to promote excellence in the delivery of quality rehabilitation counseling services to the public, delegated authority to the VR&C Service for granting rehabilitation counselor certification maintenance credit to CP's and VRS's for VA staff development training. Since August 1981, we have approved 60 separate training programs for rehabilitation counselor certification maintenance.

Additional training and staff development activities at the local level averaged approximately 5,540 hours per month for the first eight months of Fiscal Year 1983. Eighty-eight percent of these hours are within VA, and the remainder in conjunction with other agencies. On October 14, 1981, the VR&C Service instituted quarterly conference calls with VR&C divisions nationwide, to communicate more directly with field staff concerning the implementation of new revised chapter 31 vocational rehabilitation program policies and procedures and to expedite field implementation of the vocational rehabilitation enhancements of Public Law 96-466.

At the national level, the key activity has been a series of four workshops for VR&C Officers held in 1981 and 1982. The first of these was a national workshop followed by more intensive workshops in each of three regions. The national meeting focused on new concepts and provisions of law, while the regional meetings focused more specifically on selected areas such as employment services, independent living, and management of VR&C divisions. A followup national meeting is scheduled for next month. This meeting will be primarily concerned with program and policy issues needing our attention which we have identified in the course of analysis of station operations.

As a result of our implementation of these many initiatives we are confident that improvements in the VA vocational rehabilitation program as envisioned by Public Law 96-466 have been made. The number of veterans requesting and being provided services under chapter 31 has increased slightly since enactment, after a continued decrease in the four years prior to enactment. Service disabled veterans are coming to see the VA vocational rehabilitation program as a viable rehabilitation resource. Just as importantly, they are coming to recognize that the goal of the program is employment and it is a goal we are committed to assisting disabled veterans to pursue and achieve.

Mr. Chairman, this concludes my testimony. I shall be pleased to respond to any questions you may have.

WRITTEN SUBCOMMITTEE QUESTIONS AND THEIR RESPONSE

To VA Administrator Walters Regarding Hearing on Vocational Rehabilitation Program

1. Section 1503 of title 38, U.S. Code, provides for circumstances under which a veteran's period of eligibility for chapter 31 training may extend beyond the 12-year limit. Have any veterans requested an extension of eligibility because the occupation for which the veteran was previously trained became obsolete? How many requests for extension have been received? How have you responded to any such requests? How many requests for extension have been granted, how many denied?

The period of eligibility for chapter 31 may be extended beyond the basic 12-year period for a veteran with a serious employment handicap if such an extension is needed to complete a vocational rehabilitation program. Obsolescence of skills provided through prior training is only one of the factors considered in determining the existence of a serious employment handicap. Current procedures require a determination be made in each case in which basic eligibility and entitlement is established. While we do not have a recurring report on the number of veterans requesting or being granted an extension of eligibility solely on the basis of obsolescence of prior training, we requested that field staff estimate the number of such requests and the resulting outcome since April 1981. For the 28-month period, April 1981 to July 1983, it is estimated that some 1,100 requests were received, with extensions granted to approximately 450 veterans. Denial of such a request was generally a result of veterans not needing an extension in order to complete their vocational rehabilitation program, or veterans needing specific employment assistance rather than additional training.

2. Section 1504(a)(5) of title 38, U.S. Code, provides that the Administrator may provide placement services to disabled veterans to effect suitable placement in employment, and postplacement services to attempt to insure satisfactory adjustment in employment. Specifically, what services does the VA provide to veterans under this section?

The VA may provide most of the services which may be authorized under section 1504(a) and other chapter 31 provisions to a veteran being provided employment services, except for subsistence allowance, loans from the Revolving Loan Fund, and training. In addition to placement assistance, the assistance which may be furnished includes a broad range of medical care and treatment, including prosthetic services, supplies and equipment needed to begin employment training for licensure examination and payment of licensure fees, transportation assistance in certain cases, reader services and other special assistance for the blind and deaf, services to the veterans family, and other appropriate services determined to be necessary for the veteran to obtain and maintain suitable employment. The specific services to be provided in each case are described in the IEAP (Individualized Employment Assistance Plan). These services may generally be provided for up to 18 months, and more in certain cases.

3. In your view, is the current allowance paid under chapter 31 adequate? Is chapter 31 competitive with chapter 34? How many veterans have elected, as part of a vocational rehabilitation program under chapter 31, to pursue a program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34? Have more veterans elected to train under chapter 31 rather than chapter 34 since Public Law 96-466 was enacted?

The adequacy of allowances being paid under chapter 31 and under all VA educational programs is currently under review within the agency. As you are aware, Public Law 96-466 increased the chapter 31 subsistence allowance by 17% compared to a 10% increase in the chapter 34 educational assistance allowance. This reduced the economic difference between the two programs which was felt to be a major contributor to the situation whereby service-connected disabled veterans otherwise eligible for chapter 31 were electing to pursue chapter 34 for their training programs. The provisions for veterans being able to pursue chapter 31 while in receipt of allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34 have not been widely used. During no month since enactment has this provision been elected by more than 100 veterans nationwide.

We believe that the chapter 31 program is now competitive with chapter 34 for those service-connected disabled veterans found eligible and entitled to vocational rehabilitation services. During fiscal year 1981, 949,000 veterans trained under chapter 34 and 29,818 trained under chapter 31. During fiscal year 1982, chapter 34 experienced a 18% decrease to 778,000 while chapter 31 experienced close to a 4% increase to 30,919. We have projected that this slight increase will continue on into FY 1986 and then gradually decrease in the outlying years.

4. Please provide the Subcommittee with an update regarding the independent living program. How many veterans are currently receiving assistance and services? What actions have been taken by the VA to identify participants for this program?

As of June 1, 1983, 141 veterans have been approved for the independent living pilot program and currently 125 veterans are receiving assistance and services. The majority of participants (87%) have a disability rating of 100% and no participant has a rating of less than 50%.

Of those veterans approved, 32% were between the ages of 30-39 at program admission, 25% were between the ages of 20-29 and 20% between 50-59. Not quite 10% of the veterans approved were over 60 years of age.

A broad spectrum of disability categories are represented by the participants (33% with organic brain syndrome, less than 1% with quadraplegia, 16% with multiple sclerosis, 24% with schizophrenia and the remaining with other disabilities).

Eighty veterans have been referred but not approved for the pilot program. The primary reason for not approving candidates was that vocational feasibility had been prematurely ruled out. For these veterans, necessary independent living services may be provided under extended evaluation or a vocational rehabilitation program.

Each veteran in the pilot program receives an individualized plan of services based on an assessment of the veteran's particular independent living needs. Independent living skills training, housing and vehicle modifications, intensive rehabilitation programs for specific disabilities, comprehensive rehabilitation evaluations and training in attendant management are some of the services and assistance most frequently provided to participants.

A program evaluation protocol has been developed for a mandated report on the cost effectiveness and accomplishments of the pilot program due to Congress by October 1984. Data collection on program participants has begun.

When the pilot program was implemented, we issued instructions to the field emphasizing the need to take positive steps to identify potential candidates for the program. The VA Public and Consumers Affairs Service released an information bulletin on the pilot program. This was reprinted in local newspapers and was broadcast to some armed forces service personnel. Articles on the program appeared in several veterans service organizations' newsletters. VA Central Office personnel have met with national representatives of service organizations to review the program. Similar meetings have been held at the local level between VR&C personnel in the regional offices and field representatives of the service organizations.

The pilot program's goals have been explained to VAMC's staff via national conference calls and meetings at the field level. They have been enlisted to help identify potential candidates who are on the rolls of DM&S facilities. In addition, DVB and DM&S are developing a multimedia package on independent living programs within the VA. This package includes an informational leaflet which can be distributed to staff and veterans. By assisting staff to better understand the concepts of independent living, they will be more able to identify which veterans might best benefit from the services.

The third approach has been to generate a listing of veterans who have been determined medically infeasible for a chapter 31 program of vocational rehabilitation during a five-year period. Field personnel have attempted to contact each veteran whose name appeared on the list and to assess need for independent living services.

5. Section 1514 of title 38, U.S. Code, provides that under certain circumstances a veteran may participate in a vocational rehabilitation program outside the United States. How many veterans have trained, or are in training, under this section? For what reasons were veterans approved for training under this section? Is approval for training outside the United States approved at the Regional or Central Office level?

Training outside the United States to enable a veteran to qualify for employment in the occupational objective can be approved, subject to the following conditions: either the training is not available in the United States or requiring the veteran to train in the United States would impose a hardship; evidence indicates that all necessary supportive services, medical care and treatment can be obtained in the foreign location; and approval of such training is in the best interest of the veteran and the Government. Since April 1, 1981, 21 disabled veterans have been approved for training outside the United States, and 17 are currently pursuing training outside the United States. A large majority of these cases were approved by the Manila Regional Office. Of the 21 veterans for whom training has been approved, 17 are training in the Philippines, and four in other countries. Except for Manila, Central Office approval is required for training outside the United States. Veterans training in the Philippines are residents of that country, and a general determination has been made that referring these veterans to train elsewhere would impose an unreasonable hardship.

6. Section 1515 of title 38, U.S. Code, provides the Administrator the authority to utilize rehabilitation resources outside the Veterans Administration. Has the Administrator exercised his authority under this section? For example, how many veterans are pursuing chapter 31 training in a Federal agency, as provided in Section 1515(a)(1)?

The VA utilizes a wide variety of training and rehabilitation resources both public and private -- VA and non-VA. These resources include schools, business facilities which provide on-the-job training, and comprehensive rehabilitation facilities.

There were 17,203 veterans in training and rehabilitation programs as of April 1983. Of this number 11,767 veterans were pursuing rehabilitation programs operated by public agencies and organizations. Veterans in rehabilitation programs in private facilities number 5,436. Two hundred and fifty veterans are in non-pay on-job training in Federal agencies. Of the 125 veterans currently receiving independent living services in the pilot program, 105 are receiving such assistance through non-VA facilities, and 20 in VA facilities.

7. Please discuss in detail the specific actions taken by the Veterans Administration to promote and enhance employment opportunities for service-disabled veterans who have received vocational rehabilitation services under Chapter 31 or a similar program under the Rehabilitation Act of 1973, as described in Section 1516 of title 38, U.S. Code.

Promoting the development and enhancement of employment and training opportunities for veterans is one of the VA's top priorities. VR&C staff have received training on the implementation of a detailed circular on employment services. This circular emphasizes the critical nature of thorough planning which begins as soon as eligibility for employment assistance is established. The VA collaborated with DOL on the issuance of two circulars: Outstationing DVOP Staff in VA Facilities, and Targeted Jobs Tax Credit Program. Both directives called for intensive mutual VA-SESA (State Employment Security Agency) development and for local agreements which were to be incorporated into statewide agreements. As of 7/1/83 we had 239 DVOP's and 6 LVER's (Local Veterans Employment Representative) outstationed in VA regional offices, medical centers and outreach centers. VA staff is participating in the marketing of the TJTC program by providing information to veterans and employers. VA staff also makes the preliminary TJTC eligibility determination on service-disabled veterans who are participating in or have completed a vocational rehabilitation program under chapter 31. These coordinated efforts between the VA and DOL have resulted in expedited services and a more effective utilization of staff.

We have strengthened our relationship with the DOL (Department of Labor) by developing and implementing a comprehensive interagency agreement which identifies and clarifies how we may best utilize Federal, state and community resources in fulfilling our mutual commitment to veterans. VA and DOL field offices in each state have negotiated and-implemented a statewide agreement consistent with congressional intent and legislative mandate as spelled out in the national agreement. The statewide agreement covers such matters as referral procedures, liaison personnel, coordination of job development and placement efforts, and the exchange of information. The national VA and DOL offices are responsible for monitoring the implementation of the statewide agreement and for amending the national agreement as needed. Efforts to integrate appropriate sections of the JTPA (Job Training Partnership Act) are currently underway.

8. The maximum implementation of section 1517 of title 38, U.S. Code, is of particular concern to the Subcommittee, in view of the recent record high unemployment rates for veterans. Please discuss in detail all steps taken by the Veterans Administration to implement this section including information such as the number of direct placement of veterans in employment, the extent of your utilization of DVOP specialist services, and job development and placement services under other government agencies and private organizations. Also discuss the steps taken by the VA to assist veterans in their efforts to secure loans from the Small Business Administration. How many veterans have applied for small business loan assistance? How many were approved? Have you been unsuccessful in obtaining employment for employable veterans trained under chapter 31? If so, how many to date, and the reasons therefore?

A. Job Development and Placement Services

Each veteran with a service-connected disability who has participated in a vocational rehabilitation program under chapter 31 or a similar program under the Rehabilitation Act of 1973 and who has been determined to be employable, is required to have an IEAP (Individualized Employment Assistance Plan). In addition to specifying goals and objectives, the IEAP outlines the services to be provided, the name, address and telephone number of each service provider, the anticipated length of each service, and the responsibilities of the VA and the veteran in accomplishing long and short-range goals. When possible, a DVOP (Disabled Veterans Outreach Program) specialist or LVER (Local Veterans Employment Representative) participates in the planning process along with VA staff and the veteran. This joint participation in the planning process has two major benefits: (1) It helps to insure the development of realistic goals [illegible] the latest available information about the local labor market; and (2) [illegible] and clarifies the responsibilities of the veteran, the VA and all [illegible].

B. Outcome of Job Development [illegible] Services

We have provided employment [illegible] disabled veterans since April 1, 1981. Of those provided employment services under chapter 31:

(1) A total of 8,126 veterans have progressed in their program up to the point of development of an IEAP;

(2) VR&C staff provided direct job assistance in 5,916 cases;

(3) Job development and placement services of DVOP's were utilized in 4,439 cases;

(4) Job development and placement services of other agencies were utilized in 3,746 cases;

(5) Of the 12,387 veterans provided employment assistance since April 1, 1981, 7,683 or 62% have been placed in suitable employment.

(6) Since April 1, 1981, 2,965 of the veterans who have completed training have not been placed. The total figure includes veterans who began to receive employment assistance as recently as June 30, 1983, and most are still generally within their 18-month period of employment services. The major reasons for nonplacement of these employable veterans include factors over which the veteran has no control, the impact of the economy, the generally high unemployment rate, diminished motivation and unwillingness of the veteran to maintain a diligent search for employment when faced with numerous rejections, and the overall economic disincentives of limited job opportunities.

C. Self-Employment

In view of the low success rate for entrepreneurs, the objective of self-employment in a small business enterprise requires a thorough analysis before the ultimate choice is made. Although employment in the competitive market place generally offers the best chance of success, depending on the individual circumstances and the market potential of a given commodity, self-employment may well be a viable vocational objective for some veterans. VR&C staff have been instructed to utilize available community resources such as the local SBA (Small Business Administration) office, economic development corporations, business associations and college level business programs to obtain preliminary data about the local consumer market.

From April 1, 1981, to June 30, 1983, 1,212 veterans have requested assistance in becoming self-employed. Following the required careful analysis, 789 veterans have been provided such assistance. According to a recent field survey, 500 veterans (63%) have become self-employed. With assistance from VR&C staff, 350 veterans applied for SBA loans. To date, six have received loans through SBA, while a number of the remaining applications are still under SBA consideration.

9. Describe the current program of ongoing professional training and development for Veterans Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under chapter 31. Is this training by the Veterans Administration, or is it carried out at other agencies or through grants to private groups? What percentage of your budget is earmarked for your training and development program?

Systematic staff development is one of the major means through which identified weaknesses in staff performance can be eliminated and quality improvement effected. It is also the primary tool for helping staff keep current regarding new theoretical and technical developments in the fields of counseling and rehabilitation that have potential for enriching and improving the quality of VR&C services. Staff development needs are being met through ongoing VR&C inservice training, formal education or training programs, Central Office sponsored training programs, locally arranged professional meetings and regularly scheduled conference calls between Central Office and Regional Offices. Training and staff development activities at the local level are averaging approximately 5,450 hours per month for the first eight months of FY 1983. Eighty-eight percent of these hours are within VA, and the remainder in conjunction with other agencies. Employee training is budgeted under the Office Services object classification on a department basis and is not budgeted on a program basis.

10. What major rehabilitation research and special projects are currently being conducted by the VA? What is the budget for these projects? Are they being done directly by the VA, or are they being conducted through grant or contract?

The VA actively supports research and development projects designed to improve the quality of life and to allow more functionally independent activities of daily living by impaired, disabled and handicapped veterans. The Rehabilitation Research and Development (Rehab R&D) Service within the VA's Department of Medicine and Surgery funds approximately 105 merit review projects at 40 VAMCs. These projects include R&D centers at Palo Alto and Hines, a smaller R&D unit at Atlanta and the Office of Technology Transfer at New York City. In addition, there are five interagency projects to use the resources of other agencies to resolve rehabilitation problems of disabled veterans.

The Rehab R&D Service has three priority areas of research and development. The first is in prosthetics/amputation. The emphasis is on development of lighter and more rugged articificial limbs as well as research on ways to decrease the body's negative responses when a prosthetic device is used.

The second major area of emphasis is on development of assistive devices for the spinal cord injured. Rehab R&D is developing voice controlled robotics for the totally paralyzed, computer controlled electrical stimulation for restoring function in paralyzed limbs, environmental controls, and improved wheelchairs.

Improvement in sensory aids is a third research emphasis. Rehab R&D is sponsoring studies to determine how blind people travel, evaluate new travel techniques and develop better methods to teach these travel techniques.

The total Rehab R&D budget for FY 1983 was approximately $10 million. During the FY Rehab R&D funded $4 million of projects in the area of prosthetics/amputation,

$3 million in the area of spinal cord injured and $3 million in the area of sensory aids. Of this $10 million budget, approximately $1 million was awarded to local universities and private sector firms outside the VA.

Although PL 96-466 authorizes the Administrator to carry out rehabilitation studies, research and special projects, the Vocational Rehabilitation and Counseling Service, due to budget constraints, has not funded research and development projects. The Service does however, consult with the Rehab R&D Service to assist in the development of priorities most relevant to the needs of veterans participating in the chapter 31 program. In addition, the Service has consulted with the National Institute of Handicapped Research in establishing research priorities.

11. When a disabled veteran initiates vocational rehabilitation, what process is followed to ensure that the veteran is suited to his chosen field? If it is determined that a veteran is unsuited for the field in which he/she has an interest and the veteran insists on pursuing this program of study, how is this issue resolved?

As part of the initial evaluation process developed for each chapter 31 applicant, the counseling psychologist, the vocational rehabilitation specialist and the veteran engage in a comprehensive review and analysis of all possible information, including psychometric assessment, which may be used for sound rehabilitation planning. The veteran is assisted throughout the counseling process to identify potential objectives which are consistent with his or her aptitudes, abilities, interests and limitations. Every attempt is made to counsel the veteran on consistency/inconsistency of different occupational choices, but when the veteran focuses on a choice which is felt by VA staff to be inconsistent with the veteran's circumstances, the plan is reviewed by the VR&C Officer.

If the VR&C Officer concurs with the staff assessment, the veteran is so counseled. If he or she still desires an objective which is viewed as inconsistent, the veteran can appeal this decision to the Board of Veterans Appeals.

12. The Subcommittee has received indications that, in some instances, veterans have been encouraged to study certain fields which have few possibilities for employment in the geographical area in which the veteran lives. Is it the policy of the VA to consider local employment opportunities when counseling veterans?

A significant aspect of the suitability of an occupational choice is the anticipated employment opportunities which may exist upon completion of the training program. Both the counseling psychologist and vocational rehabilitation specialist are aware of the current and future employment trends in the local geographical area. If an occupational choice is considered which has limited marketability in the local area, the veteran is advised of the limits and given information on other geographical areas which may better support the marketability of the chosen occupation and is also assisted in developing alternative occupational goals. Once concurrence is made in a vocational rehabilitation goal, the objectives, including employment marketing in a given geographical area are developed in the IWRP which always are subject to modification should circumstances require it.

13. How many work-study students are included in your Vocational Rehabilitation and Counseling (VR&C) divisions in your regional offices? How many chapter 34 student trainees are assigned to your VR&C divisions?

Veteran-students enrolled as full-time students under the provisions of either chapter 31 or 34, may agree to perform services and receive an additional allowance under the VA work-study program. Veterans who are 30 percent or more disabled from service-connected disabilities are given preference in obtaining a work-study position. A veteran in a work-study position may work up to 250 hours per enrollment period and would receive $837.00. One who agrees to work a lesser number of hours gets a proportionately lesser amount. Veteran-students are paid 40 percent of the amount of the work-study agreement in advance, with hours to be worked during or between enrollment periods.

The services that may be performed under the supervision of a VA employee are:

a. VA outreach services under the supervision of a VA employee.

b. Preparation and processing of VA paperwork.

c. Provision of care at a VA domiciliary or medical center.

d. Any other activity of the VA approved by the Administrator.

As of July 1, 1983, there were 187 work-study students performing services in our VR&C Divisons. Of the total 187 work-study students, 96 of them (51%) were chapter 34 student trainees.

14. What percentage of chapter 31 trainees pursue study at institutes of higher learning? What percentage of these trainees find employment related to their fields of study?

Approximately 70% pursuing training under chapter 31 pursue such training at institutions of higher learning. From April 1, 1981, through June 30, 1983, 6,698 veterans completed a college degree which qualified them for employment in the field for which training was provided. Our current figures indicate that 4,776 (71%) were subsequently employed in the field for which training was provided or in a closely related field. The remaining veterans in this category are still being actively followed-up during the employment assistance phase of their programs.

15. How many current Chapter 31 trainees served only during World War II? How many served only during the Korean Conflict? What types of training have been provided these veterans? In determining need for rehabilitation, is age a factor in determining feasibility for such training? Does age of the vetera ever serve as a bar to eligibility for this training?

There are 219 World War II and Korean Conflict veterans currently in training under the auspices of the Chapter 31 vocational rehabilitation program. This figure consists of 88 World War II and 131 Korean Conflict veterans. The total represents approximately 1% of the total veteran population, in training, as of the end of March 1983. Fifty percent of the World War II and Korean Conflict trainee population are presently attending Institutions of Higher Learning (I.H.L.) and 25% are participating in vocational/technical training programs. Apprentice and on-the-job skill development programs account for approximately 15% of this trainee group and 10% are involved in special training situations.

Eligibility and feasibility for vocational rehabilitation training are determined in the same manner, with all veteran applicants, regardless of age. Prior work history, the individually experienced effects of disability, the likelihood of securing and maintaining eventual employment following the completion of training, and other pertinent factors are all significant areas for consideration which are evaluated on an individualized basis with each veteran. Planning for rehabilitation services is based on the information obtained and synthesized during this process. Older veterans may require services unique to that population based on the breadth of past work experience, the degree with which age has become a factor in the prognosis of the disability and other age-related issues which must be addressed in order to provide appropriate assistance.

16. Does the Vocational Rehabilitation Specialist (VRS) participate directly in the development of the Individualized Written Rehabilitation Plan (IWRP) consulting with the Counseling Psychologist and the veteran? What is the responsibility of the VRS as compared with the Counseling Psychologist? Please provide a brief description of the responsibilities of the Counseling Psychologist and VRS in formulating the veterans rehabilitation plan and the implementing of the plan to a successful conclusion.

The Counseling Psychologist (CP) works in conjunction with the VRS and the veteran in the development of the IWRP plan. Similarily the VRS works in conjunction with the CP and the veteran in implementing the IWRP and in facilitating the veteran's progress through the program outlined in the plan. The CP is primarily responsible for determining eligibility and entitlement because the CP has had professional training to conduct comprehensive evaluation of the veteran's situation. Thus the CP identifies those medical, psychological, social and other factors contributing to the veteran's employment handicap and the specific rehabilitation services which will best address identified needs.

The VRS, in his or her direct consultation with the CP, assists with developing the terms of the plan with the veteran. The VRS is usually of major assistance in identifying appropriate service providers, evaluation criteria and procedures, and a schedule for conducting the evaluation. All of this information is recorded on the IWRP, and subsequently used by the VRS and the CP in assisting the veteran through the program. The VRS is primarily responsible for periodically reviewing the veteran's progress, as outlined in the plan, and confirming the veteran's ability to carry out the plan. At least annually, the VRS and the veteran review all the provisions of the plan and the veteran's progress in the program. On the basis of these reviews, the VRS has the responsibility for determining whether the plan should be redeveloped, amended or retained in its current form. If a minor adjustment to the plan is warranted, the VRS may make such adjustments. If major changes in the plan are indicated, such as a complete change in the vocational objective, the case is referred to the counseling psychologist and the collaborative efforts of the counseling psychologist, VRS, and veteran again take place to redevelop the IWRP.

When the IWRP specifies training, and the needed training is completed, the VRS has the primary responsibility to develop with the veteran and with consultation of the counseling psychologist, the Individualized Employment Assistance Plan. The VRS is given primary responsibility for development because of his or her expertise in identifying employment search skills needed by an individual veteran and his or her continued contact with the employment market. The VRS follows the veteran's progress while receiving employment assistance and assures that required services are delivered. Only when the veteran achieves and maintains employment for a period of at least 60 days does the VRS place the case in a rehabilitated status.

17. To what extent is tutorial assistance utilized by chapter 31 trainees? How many are currently being provided tutorial assistance? How long is the average period for which tutorial assistance is allowed?

Tutoring under chapter 31 is provided when there is need for special instructional assistance beyond that given to other students pursuing the same or comparable courses. The Vocational Rehabilitation Specialist (VRS) assigned as case manager for the veteran's rehabilitation program, would determine the need for such assistance, usually following consultation with appropriate school staff. A standard of one hour of tutorial assistance for each credit hour is used as a general guideline. The number of hours of tutorial assistance required would also be determined by the VRS in consultation with appropriate school staff.

As of July 1, 1983, there were 647 veterans receiving tutorial assistance under chapter 31. These veterans had been provided with an average of 3 months of such assistance. Because tutoring needs are determined on a case-by-case basis, there is considerable variability in the duration of tutoring provided to individual veterans and a specific national average is not available.

18. Does the Vocational Rehabilitation and Counseling Service utilize the State Approving Agencies in determining which educational facilities are used for Chapter 31 trainees? Does the VR&C Service accept SAA approvals of institutions of higher learning, or does the Veterans Administration make its own determination as to the facilities to be used in each individual case?

VR&C Staff have specific responsibility for all course approval determinations for chapter 31 program participants. In preparing chapter 31 approvals, however, every effort is made to utilize the information which SAA's develop for course approvals for trainees under chapters 32, 34 and 35. Currently SAA's approve all institutions of higher learning as well as all non-college degree facilities whenever courses in those facilities are being pursued by trainees under chapters 32, 34 and 35. In general, and particularly for institutions of higher learning, if an SAA has approved a course, the information in the SAA determination is sufficient for chapter 31 course approval subject to a specific review of the disabled veteran's individual situation. Duplication of SAA effort by the VA is avoided since the staff can rely on the completeness and accuracy of the information contained in SAA course approval determinations.

An SAA will not make a course approval determination, however, if only chapter 31 trainees will participate in the course. Consequently, in these instances, the VR&C will independently develop the necessary information to make the approval determination.

19. With regard to loans for Chapter 31 trainees, have sufficient funds been made available to maintain your revolving fund for this purpose? How many loans were made to Chapter 31 trainees during the previous fiscal year? Have the number of loans increased since the passage of Public Law 96-466?

The purpose of the revolving fund loan program is to provide advances to disabled veterans under chapter 31 who need the funds to begin or continue in a rehabilitation program. The interest-free loans are recouped by the VA at a minimum rate of 10% a month. The revolving fund is assured of sufficient funding through prudent management. Field staff are instructed to conduct a careful evaluation of the veteran's need for a loan, the amount of the loan, documentation of the findings of the evaluation, and a plan for repayment. The number of loans has increased since PL 96-466 was enacted. During FY 81, the number of loans averaged 422 per month. This increased to 462 per month in FY 82 and 542 through June 1983.

20. Inquiries made to the General Accounting Office (GAO) have indicated that in many cases VA staff did not make required follow-up contacts to insure that veterans who had completed Chapter 31 training were satisfactorily employed. What percentage of cases are not properly contacted? Why are these veterans not contacted? What can be done to improve this situation?

VR&C policy is to provide employment assistance and follow-up contact for all veterans completing training under chapter 31. Each VRS responsible for a veteran receiving employment assistance makes periodic visits to assure that appropriate services are being delivered and sufficient progress towards employment is being made. The VR&C Officer uses the management tools of statistical quality review of casework and systematic analysis of operations to assure that veterans receiving employment assistance are followed as needed.

In visits made by Central Office staff to examine field operations we have learned that in some offices deficiencies exist in the provision of employment assistance and follow-up. Our recommendations in such circumstances generally require staff development training and a shifting of priorities to assure quality and timely employment assistance follow-up.

VETERANS' ADMINISTRATION,
OFFICE OF GENERAL COUNSEL,
Washington, D.C., August 11, 1983.

Hon. MARVIN LEATH,
Chairman, Subcommittee on Education, Training and Employment,
Committee on Veterans' Affairs, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In reply to your letter of July 14, 1983, to Dr. Stephen L. Lemons, we are pleased to transmit responses to the questions you raised concerning our vocational rehabilitation program.

Sincerely yours,

ROBERT E. COY,
Deputy General Counsel.
JOHN P. MURPHY,
General Counsel.

Enclosure.

SUBCOMMITTEE CHAIRMAN LEATH TO DR. LEMONS

(1) Is it correct that an employed veteran is ineligible for the Vocational Rehabilitation Program? If so, how many are denied acceptance because they are employed? What is your reaction to the recommendation that an "underemployed" veteran should be eligible for vocational rehabilitation?

The statement that "an employed veteran is ineligible for the vocational rehabilitation program" is incorrect. The determination of entitlement to comprehensive rehabilitation services, including training is based upon a finding of employment handicap. Employment handicap means an impairment of the veteran's ability to prepare for, obtain and retain employment consistent with such veteran's abilities, aptitudes, and interests. Since enactment of Public Law 96-466 we have had much discussion of criteria for entitlement to vocational rehabilitation under new provisions of the law. Instructions have been prepared to carry out the congressional intent that this determination be based upon the effects of the veteran's service-connected disability when considered in relation to other pertinent factors.

In order to establish that an employment handicap exists, it must be shown that the veteran's ability to prepare for, obtain or maintain employment consistent with the veteran's abilities, aptitudes and interests is impaired, and the veteran's service-connected disability when considered in relation to other pertinent factors materially contributes to the impairment. Therefore determining if employment handicap exists in any case including employed veteran, or veterans who may perceive themselves as underemployed must be considered in relation to these general criteria for a finding of employment handicap.

The determination of employment handicap must be based on individual factors in each veteran's situation, and general criteria which are applicable in all cases. The recommendation that an underemployed veteran be found eligible for vocational rehabilitation without consideration of the effects of the veteran's disability or other factors relating to employment adjustment would be inconsistent with the current approach and would limit our ability to assure that veterans provided chapter 31 services and assistance were in need of such services to overcome limitations resulting from service-connected disabilities.

(2) What is your reaction to the criticism of the Military Order of the Purple Heart that there is a disparity between the Veterans Administration field station and your vocational rehabilitation and counseling services as to what constitutes "suitable employment"?

We do not know of any serious disparity between VR&C staff at Central Office and field station staff as to what constitutes suitable employment. The concept of suitable employment is inherent in the definition of the purpose of the program. This was transmitted in the initial instructions dealing with program changes stemming from enactment of Pubic Law 96-466 and has been replicated in all subsequent instructions and related training.

We have recently attempted to clarify the relationship between the achievement of an educational objective which is a part of the veteran's overall plan and the achievement of suitable employment. The point which was clarified was the need to evaluate whether there was still a functional relationship between the intermediate educational objective and the long-range employment goal of the plan, i.e., whether achievement of the educational objective was still necessary to achieve the veteran's employment goal. For example, a veteran may secure full-time or substantially full-time employment and maintain such employment in the occupational group established in the plan, prior to the completion of training, with wages and benefits of a trained worker in the field. If employment has been secured contingent upon completion of training specified in the plan, the plan should be adjusted so as to allow for the completion of training. If there are no such conditions or other contingencies attached to the veteran's employment, the veteran may reasonable be determined to have accomplished the goal of the plan. Such determinations are only made on the basis of a comprehensive review of the veteran's situation, in which the veteran's participation is required.

(3) In its testimony, the DAV indicates that the Targeted Jobs Tax Credit is being under-utilized because the program has been poorly marketed and has suffered from a lack of public information and outreach. Do your feel that the VA can take any action to more effectively alert employers to the advantages of hiring disabled veterans under the Targeted Jobs Tax Credit Program?

Under the VA-DOL agreement the ETA (Employment and Training Administration) has been designated by the Secretary of Labor as responsible for having overall authority over the certification and marketing of the Targeted Jobs Tax Credit (TJTC). SESA's (State Employment Security Agencies), as the designated local agencies, are responsible for determining target group eligibility and marketing of the tax credit at the State and local levels.

The VA assists in the public information aspects of the TJTC program by distributing ETA materials and/or developing VA materials with ETA assistance. VARO's are assisting in the preliminary determination of eligibility by vouchering disabled veterans who are completing or have completed a vocational rehabilitation program under chapter 31. In all cases, the verification of eligibility (certification) will be done by the SESA.

In order to evaluate the utilization of TJTC by Ch 31 staff, an analysis of information provided by field stations was undertaken and recently completed. The analysis indicates wide variability in usage and outcomes. We are exploring the reasons for this variability and taking such steps as are indicated in each specific location to use this important tool in the most effective manner.

(4) In information you supplied, you state that almost 3,000 veterans who completed training since April 1, 1981, have not been placed in jobs. At what point does the Veterans Administration feel that its responsibility to provide job assistance to Chapter 31 trainees has been fulfilled?

We believe that the employment assistance responsibility has been fulfilled when:

(a) The veteran is employed and adjusted in employment;

(b) The services provided during the period of employment assistance place the veteran in a good position to secure employment, and adequate arrangements have been made to assure continuity of the employment effort following expiration of the 18-month or longer period provided by the VA; or

(c) The veteran withdraws from the labor market for a valid reason, or no longer cooperates in the employment assistance process.

As noted in our testimony those veterans who have not yet been placed are generally within their authorized periods of assistance, and we expect successful outcomes in most cases. The period of 18 months or more in certain cases appears to be a sufficient period for VA and other cooperating agencies to assist the veteran to achieve placement and adjustment in suitable employment.

(5) In response to a question regarding assistance provided veterans who wanted to become self-employed, you stated that with assistance from vocational rehabilitation and counseling staff, 350 veterans applied for Small Business Administration loans from April 1, 1981 to June 30, 1983. Of these, only 6 received loans through the SBA. Why were so few veterans granted these loans? Do veterans actually receive preference over other applicants? Does the veteran receive the edge over applicants because the individual is a veteran, or is it just coincidental that the individual is a veteran?

Information from our field offices indicates more SBA loans are not approved for our veteran applicants because:

(a) Few meet the rather stringent requirements established for promising business ventures (credit rating, some substantial resources of cash or equity to invest, record of stable employment, promising management background, etc.);

(b) SBA seems to be concerned largely with loans of larger amounts ($100,000 or higher) and not interested in the smaller loans generally needed by most of our disabled veterans attempting to set themselves up in self-employment.

Since the overwhelming preponderance of responsibility is on fiscal viability of any loan (be it veteran or nonveteran), veteran applicants, even when given any preference in the loan consideration and approval process, fare only somewhat better than nonveterans. Only a small percent of total applicants, veterans and nonveterans, are approved for SBA loans. The overall percentage of dollars loaned to veterans for fiscal year 1983 is running about 25 percent of the total dollar value of all SBA loans compared to 16 percent for fiscal year 1982. We are advised by SBA staff that $25 million has been set aside for Vietnam era and disabled veterans who are able to demonstrate reasonable repayment potential.

We are aware that the Administrator of SBA has taken a special interest in veterans' small business loans and has taken significant steps to improve services to veterans. We are hopeful that these steps will improve both assistance to veterans interested in establishing their own business as well as the rate of approval of loan applications.

(6) According to the statement from the Military Order of the Purple Heart, your cooperative efforts with the Veterans Employment Service leave much to be desired, and recommends that as a veteran nears completion of his training, a notice should be sent to the Veterans Employment Service so that all job related services can be immediately available when the veteran completes his/her training.

This is not being done, it is stated. How do you carry out your cooperative efforts with the Department of Labor?

Coordination between the Veterans Administration and the Department of Labor is governed by the recently completed national agreement between these agencies and the subsequently developed statewide agreements. The major reason for revising the prior national agreement was to recognize and incorporate the changes resulting from enactment of Public Law 96-466. Prior to enactment of Public Law 96-466 the procedure followed was not dissimilar to that now suggested by the Military Order of the Purple Heart, e.g., general referral of the veteran to the Employment Service upon completion of training. Evaluation of this procedure was in part responsible for the change in the law under which the VA was assigned significant responsibility for employment planning and assistance. The major mechanism for the delivery of these services is the IEAP (Individualized Employment Assistance Plan). The purpose of the IEAP is to identify those employment and related services which are necessary in the individual case. Recognition and agreement as to VA responsibility for preparing an individualized employment plan is incorporated in the VA-DOL agreement. This systematic planned approach to identification, coordination, and provision of employment services by both agencies is in sharp contrast to the approach which was in effect prior to enactment of Public Law 96-466.

There is always room for improvement in coordination of services, and we are working with Department of Labor in making such improvements. We believe that the current approach represents sounder rehabilitation than was in effect prior to enactment of Public Law 96-466, and should be allowed to develop its full potential.

(7) As I indicated in my opening statement, over 500,000 Vietnam era veterans are in receipt of disability, compensation from the VA, and over 300,000 of these veterans were wounded in combat, for which they received a Purple Heart.

With only a small number of Vietnam era veterans having received vocational rehabilitation, is it your opinion that a large number of these disabled veterans were unable to qualify for Chapter 31, or did they elect to take G.I. Bill training because of its higher rates?

Service-disabled veterans have historically made extensive use of educational benefits for which they were eligible under the various GI Bills. There are a number of reasons why many service-disabled veterans decided to utilize the GI bill for the whole or a part of their education and training. This includes their ineligibility for the vocational rehabilitation program, a desire to pursue training at a lesser rate than that permitted under the vocational rehabilitation program, a desire to pursue a certain type of training (e.g., correspondence), and lack of awareness of special vocational rehabilitation programs. There was, however, one factor affecting chapter 31 participation which was unique to chapter 31 participation during the Vietnam era. Under the World War II and Korean conflict programs there were uniform eligibility criteria for veterans rated 10 percent or more. Under Public Law 87-815, enacted October 15, 1962, there were essentially different criteria for Vietnam era veterans with disability ratings of less than 30 percent, and those with disability ratings 30 percent or more. A veteran with a disability rating of less than 30 percent had to be determined to have a pronounced employment handicap, a criteria which few could meet. Therefore, for all practical purposes, the GI bill was the only source of assistance at that time for such veterans. Since over half of Vietnam era veterans in receipt of disability compensation had disability ratings of less than 30 percent, this became a significant factor in the utilization of chapter 31 during this period. Public Law 93-508 eliminated the pronounced employment handicap requirement, and placed the determination of eligibility for these veterans on the same basis as for veterans with disability ratings of 30 percent or more. Utilization of chapter 31 benefits by veterans rated 10 percent and 20 percent increased dramatically.

(8) One of the statistics, which we hear about over and over again, is the large number of service-connected disabled veterans who are unemployed. You will recall that in previous Congresses, the Disabled Veterans Outreach Program (DVOP), was established to which you have referred in your statement. Most of the DVOP Specialists are disabled veterans and, from all reports, do an excellent job in reaching and helping disabled veterans receive employment assistance. Notwithstanding, however, there are still many, service-connected veterans who are not employed and apparently have never taken vocational rehabilitation, and probably have never taken G.I. Bill training.

Do you believe a large percentage of the service-connected veterans seeking employment have never used their G.I. Bill, or if they have, is it reasonable to assume that the veteran was not trained in an appropriate employment objective?

Under the VA outreach activities every effort is made to insure that all veterans, especially those who have been recently discharged or released from active duty and those eligible for readjustment or other benefits and service, are provided timely and appropriate assistance to aid and encourage them in applying for and obtaining benefits. To insure satisfactory adjustment in employment for service-connected disabled veterans, outreach activities specific to the vocational rehabilitation program have been developed.

In October 1982, a special outreach effort was initiated to assure that every Vietnam era veteran potentially eligible for chapter 31 was informed about the VA's rehabilitation program and was provided with sufficient information to make an informed decision whether to apply. VR&C field personnel were provided with a list of over 526,000 names of veterans potentially eligible for vocational rehabilitation. Of the 194,000 on the list who had used neither chapter 34 nor chapter 31 entitlement, those rated 50 percent or more disabled were initially provided with motivational contacts.

To date, approximately seven percent of those veterans contacted have responded with applications for vocational rehabilitation.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

On behalf of our 1.96 million members, I would like to thank you for the opportunity to present our views regarding the implementation by the Veterans Administration (VA) of the improved Vocational Rehabilitation Program established with the enactment of Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980.

As you know, Mr. Chairman, the VA has administered a vocational rehabilitation program for a number of years. The enactment of Public Law 96-466 considerably updated and expanded that program in ways that considerably enhance the VA's ability to respond positively to the multitude of needs of disabled veterans. Briefly, the law provides that services and assistance necessary to enable service-connected disabled veterans to achieve maximum independence in daily living and, to the maximum extent possible, to become employable and obtain and maintain suitable employment be implemented through a number of means. Among these are: evaluation (or reevaluation) of a verterans potential for rehabilitation; educational, vocational, psychological, employment and personal adjustment counseling; a work-study allowance; employment placement services; personal and work adjustment training; various training services and assistance, including tuition, fees, books, supplies, equipment and other training materials; interest-free loans; prosthetic applicances, eyeglasses and other corrective and assistive devices; services to a veteran's family to facilitate the veterans effective rehabilitation; services, supplies and equipment for homebound training or self-employment; travel and incidental expenses for job seeking; services necessary to enable a veteran to achieve maximum independence in daily living, and others.

Mr. Chairman, the personnel in the VA's Vocational Rehabilitation Program, under the able guidance of Dr. Stephen L. Lemons, have sincerely sought to completely implement all aspects of this law. Dr. Lemons' demonstrated confidence in managing the program has been transmitted to those involved with it; he has remained accessible to us; he has responded to all our concerns. It is important, in our view, to remember, in evaluating the program at this time, that personnel involved in its implementation are learning as well as implementing it. We have found VA personnel extremely competent in the counseling and psychological aspects of the program; but the entrusting of the multiplicity of employment-related aspects of the program to them, as was accomplished with the passage of Public Law 96-466, does not mean they automatically have the knowledge to successfully accomplish them. As a result, we believe there is a need for greater in-service training for staff. Economies in government have not enabled the VA to adequately promote staff development, and this has had an adverse effect on program success. In addition, the VA and the Department of Labor (DOL) have concluded an interagency agreement to accommodate the purposes of this program, and we recommend, particularly during this time of economic resurgence, closer coordination between the VA and the Disabled Veterans Outreach Program with respect to job placement efforts.

Mr. Chairman, emergency job training measures currently under consideration by the Veterans Affairs Committees, once enacted, will provide an important adjunct to the VA and DOL in their efforts to successfully implement the employment aspects of this program. Enactment of such a measure will add at least one very important ingredient to this program: a tangible incentive for employers to hire disabled veterans. We urge the application of your influence so that this legislation finds its way to the President's desk in timely fashion.

In summary, Mr. Chairman, much has been dome to successfully implement the provisions of Public Law 96-466. Much remains to be done. We view the revitalization of the Vocational Rehabilitation Program as a notable example of legislative wisdom and foresight, and, accordingly, we express our sincere gratitude to you, this Subcommittee and the Congress for its enactment and the VA for its sincerity in effectively seeking to implement it.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE
JULY 14, 1983

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 750,000 members of the Disabled American Veterans I wish to take this opportunity to thank you for providing us this opportunity to appear before you and present our views on the VA's Vocational Rehabilitation Program as it relates to employment.

The DAV is grateful to you, Mr. Chairman, and the members of this Subcommittee for holding these hearings. This obviously reflects the sincere ongoing interest and concern of the Subcommittee in your efforts to review and assess the various employment programs and their impact on this nation's disabled veteran population.

As we know, Mr. Chairman, no one can accurately quantify the unemployment rate among disabled veterans since little data are available on this group. There have been studies, reports and estimates on unemployment and we believe the results reflect, even in the best of times, a totally unacceptable rate of unemployment among our nation's disabled veterans.

As you know, Mr. Chairman, the DAV was founded on the principle that this nation's first and foremost duty to veterans is the rehabilitation and caring for its wartime disabled. Our membership composed of honorably discharged veterans, who were disabled during military service to our country, has continually supported adequate vocational rehabilitation training. We have long believed that this type of training is necessary to assure the disabled veteran an easy transition to civilian life. However, in viewing the programs over the years we came to realize that many of these disabled veterans, in spite of vocational rehabilitation training, were not employed in occupations for which rehabilitation training was provided.

This program, as we know it today, was originally established by Public Law 78-16 shortly after World War II. In its initial stages it always had as a goal the restoration of employability. Mr. Chairman, the DAV as well as others believe that goal is insufficient. Rather, actual employment should be the major objective.

In October of 1978, the Veterans Administration submitted to Congress a study of the provisions of the vocational rehabilitation program. At that time, a shift in objectives was realized. One of the recommendations (which the DAV fully supports) highlighted in that report was "To focus the program on the ultimate goal of vocational rehabilitation, namely, employment of the handicapped veteran."

Mr. Chairman, if there has been any one aspect lacking in this overall successful VA program it has been the failure on the part of the federal government to ensure that those disabled veterans who successfully complete a program of rehabilitation were actually placed in employment for which they have been trained, and perhaps as important, maintained in that employment.

Mr. Chairman, in view of the numerous programs and initiatives over the years, you have to wonder why disabled veterans, especially those who obtain the type of vocational training we are talking about, would continue to have severe unemployment problems. We believe that several factors are for consideration in trying to address this issue.

Following are some of the programs and legislative initiatives with identified deficiencies. We have also attempted to identify some general problem areas.

PROGRAMS	DEFICIENCIES
1. Basic Veterans Preference - additional preference granted to service-connected disabled veterans over nondisabled veterans.	1. Easily circumvented by federal departments and agencies and ineffectively enforced by the Office of Personnel Management.
2. Veterans Readjustment Appointments - with special provisions for the service-connected veteran.	2. Strictly a voluntary program on the part of federal departments and agencies and insufficiently used by a large majority of federal agencies.
3. Special Noncompetitive Appointment Authority - under Title 5, U.S. Code for those disabled veterans rated 30% or more.	3. Same as 2 above
4. Special appointing authority within the Federal Civil Service for severely handicapped individuals including disabled veterans.	4. Perhaps this is the oldest special authority for the severely handicapped but suffers from the same benign neglect as 2 and 3 above.
5. Additional protections against discrimination provided to disabled veterans rated 30% or more within the Federal Civil Service.	5. A relatively new program added by the Civil Service Reform Act of 1978. Has the potential of providing good protection, if adequately enforced.
6. Affirmative Action requirements for disabled veterans in the federal work force under Section 2014, Title 38, U.S. Code.	6. Pretty much a "paper tiger" with little enforcement. Recently OPM assumed jurisdiction. The potential for success is there if adequately enforced.
7. Unpaid training or work experience in federal agencies as part or all of a VA vocational rehabilitation training program.	7. Poorly marketed and misunderstood by most federal agencies representatives as well as the veterans themselves.
8. Affirmative Action in the private sector by certain federal contractors under Section 2012, Title 38, U.S. Code.	8. Grossly overlooked and woefully neglected by the Department of Labor's Office of Federal Contract Compliance Programs.
9. Regulatory prohibitions against discrimination for certain disabled veterans in the private sector.	9. Same as 8 above

	PROGRAMS		DEFICIENCIES
10.	Help Through Industry Retraining and Employment (HIRE) which was an Administration initiative under President Carter. While this program was to benefit disabled and Vietnam era veterans, the emphasis was on disabled veterans.	10.	Poorly designed and implemented by the Department of Labor. Certain disadvantaged youth were eligible.
11.	Disabled Veterans Outreach Program (DVOP) - Perhaps the most successful of all past and existing programs for disabled veterans' employment.	11.	Up until recently very little accountability.
12.	Special emphasis for disabled veterans under the Comprehensive Employment and Training Act (CETA).	12.	Lost its special emphasis at the local level.
13.	Employer tax credits under the Targeted Jobs Tax Credit (TJTC) Program for private employers who hire disabled veterans who have completed a program of vocational rehabilitation through the VA.	13.	Poorly marketed and has suffered from a lack of public information and outreach.

PROBLEMS

The economy and the increased civilian work force resulted in significant competition by many groups for a limited number of jobs.

Employer attitudes and biases against disabled people.

Employer attitudes and biases toward Vietnam era veterans which in the case of disabled Vietnam era veterans was compounded by the overt and covert discrimination against disabled people.

Inclusion of other groups in special veteran programs, i.e. certain economically disadvantaged youths were eligible to participate in the HIRE Program.

Poor design and implementation of programs.

Lack of effective enforcement of programs.

Lack of coordination and cooperation between various federal, state and local agencies.

Ineffective public information and outreach.

Uninformed veterans. Paucity of knowledge at the local level on the part of federal, state and local officials.

Complacency on the part of too many government officials in utilizing existing authority within the Federal Civil Service system.

Mr. Chairman, these problems are not insurmountable. However, it is going to take a strong commitment from our nation's leaders, specifically the Administrator of Veterans Affairs, the Director of the Office of Personnel Management and the Secretary of Labor and their subordinates charged with the responsibility of carrying out the numerous identified programs. It is also going to take the commitment of local officials, including governors, mayors and program administrators at the local level. It is not enough to issue "memorandums of understanding" or other policy statements of support without the full backing and accountability to assure they are carried out.

Mr. Chairman, when we appeared before this Committee on March 31, 1981 we discussed several of the problems in the vocational rehabilitation program. At that time we quoted Section 21.290 of 38 Code of Federal Regulations which in part stated "The primary responsibility of the Veterans Administration in its vocational rehabilitation program is to restore employability....The best proof that employability has been restored is a showing that the veteran actually has been placed in suitable employment." That same regulation and language appears in the latest issue of CFR 38 revised as of July 1, 1982. This regulation further delineates specific steps the VA will take to assist disabled veterans in obtaining suitable employment.

Additionally, Public Law 96-466, the "Veterans Rehabilitation and Education Amendments of 1980," made numerous changes to the vocational rehabilitation program. Section 1517 of Title 38, titled, Employment Assistance, requires in part the "utilization of the services of Disabled Veterans Outreach Program Specialists under Section 2003A of this title...." With that mandate in mind, Mr. Chairman, the DAV conducted a very informal survey of several State and Assistant State Directors for Veterans Employment within the Department of Labor. We asked these individuals to report back to us on the efforts of the Veterans Administration to contact appropriate Department of Labor or State Employment Security Division officials to assure the adequate utilization of DVOP staff. In reply we received numerous and varying reports.

From one large industrial city we learned that a DVOP staff person was assigned full-time to work at the VA Regional Office with the Vocational Rehabilitation and Veterans Assistance staffs. It was also reported that this system was working fairly adequately but there was high competition for a very limited number of jobs. The Assistant State Director for Veterans Employment (ASDVE) suggested that additional financial incentives be provided to employers. This comment invoked a question as to the use of existing financial incentives such as Targeted Jobs Tax Credits (TJTC), tax credits for the removal of architectural barriers, and perhaps more importantly the provision which allows the Administrator to make payments to employers for providing on-the-job training to veterans who have been rehabilitated under

Chapter 31. The response was that none of these authorities are used very effectively in this particular geographic area. It is also our understanding that the latter has not been used at all.

In response from another large industrial city, we learned from an ASDVE that a DVOP staff person was assigned to the United States Veterans Assistance Center (USVAC) in approximately 1978. That individual has remained there for almost five years and nothing much has changed relative to the use of that individual with the vocational rehabilitation staff. According to the ASDVE everything was "status quo" and no new initiatives had been undertaken.

From the southeastern portion of the United States we learned that Veterans Administration officials do use DVOP and LVER staff very effectively. While there is not an individual permanently assigned to the vocational rehabilitation staff or USVAC, the particular regional office has shown an approximate 60% to 65% placement rate of all vocational rehabilitation participants. One recommendation from the State Director of Veterans Employment (SDVE) was the establishment of a statewide vocational rehabilitation advisory committee to assure the utilization of all existing resources.

Also from the southeast we learned the following. Some of the vocational rehabilitation participant referrals to the local job service were said not to be ready for work. This certainly raises questions about the efficacy of even "restoring employability." On the other hand, some of the vocational rehabilitation referrals complain that the local job service does not do enough for them.

Another potential problem area is that generally the veterans are referred to the job service with a letter of introduction as opposed to a personal appointment or referral.

In at least one instance the veteran alleged that the VA insisted he pursue a particular degree program which the veteran did not have any interest in and accordingly did not want to pursue that course of study.

On a more positive note, it was reported that the VA vocational rehabilitation staff worked very closely with DVOP and LVER staff. In view of some of the early "problems" this last statement seems to be contradictory.

Also every vocational rehabilitation "graduate" is automatically certified eligible for the Targeted Job Tax Credit (TJTC) which is, in our opinion, a very positive policy.

From an Assistant State Director in a regional office area on the West Coast we found the following. The state job service and the Veterans Administration signed a "memorandum of agreement" regarding joint cooperation in the areas of vocational rehabilitation, training and education, counseling, placement and follow-up for veterans. The agreement delineates an action program and identifies personnel in the respective agencies expected to be responsible to these veterans in order to maximize the services.

This agreement includes the outstationing of at least one DVOP staff person in each of the regional offices. The DVOP staff person works closely with the rehabilitation client referred from the regional office or the medical center. As necessary, the individual is referred to local office DVOP for more individualized services. The vocational rehabilitation clients have been identified as a source of applicants for all job service offices throughout the state. The following deficiencies were identified.

1. It takes approximately three to four months for a veteran to obtain a counseling appointment under vocational rehabilitation. As a result many veterans do not apply.
2. Chapter 31 participants are not referred to SBA "because there is nothing for them through that agency."
3. Approximately 20 to 30% of the veterans applying for Chapter 31 are ineligible.

Mr. Chairman, admittedly this does not give us a total geographic cross section of the program but, I would like to publicly thank those State and Assistant State Directors who cooperated in this effort. I believe they have provided enormous insight for those of us in Washington who need to make recommended changes to assure the success of the vocational rehabilitation program.

Mr. Chairman, we believe evidence exists that the general public supports an effective and efficient vocational rehabilitation program for disabled veterans. As we know, in July of 1980 the Veterans Administration released a survey conducted by Louis Harris and Associates, Inc. titled, Myths and Realities: A Study of Attitudes Toward Vietnam Era Veterans. Part of that study reveals the following (see pages 214-258):

1. A two-thirds majority of the public feels that the federal government should do more to help the VEV [Vietnam era veteran] this support never falls below 50% in any identifiable subgroup of the general public;

2. Support ranges from nearly 100% for disability programs....The degree of support is highest for those programs that are most directly related to problems which the public views as service-connected;

3. It is noteworthy in an era of public service cut-backs and budget retrenchments that almost no one in the public (1%), or among the employer (4%) or educator (1%) sampled feels that the federal government should do less to help the Vietnam era veterans;

4. The degree of program support tends to be greatest for those that deal directly with the service-connected problems of veterans -- for instance, the vocational rehabilitation of disabled veterans; (emphasis added)

5. The most favored [VA] programs are financial support for disabled veterans (98%) and vocational rehabilitation of disabled veterans (98%); (emphasis added).

Mr. Chairman, again I would like to thank you and members of this Subcommittee for your interest in this most important subject. This concludes my formal statement and I would be happy to answer any questions.

STATEMENT OF PHILIP R. WILKERSON, CHIEF OF CLAIMS SERVICE
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
TO THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
HOUSE OF REPRESENTATIVES
JULY 14, 1983

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates this opportunity to present its views on the current status of vocational rehabilitation provided service-connected disabled veterans under Chapter 31 of title 38, United States Code. We commend the Subcommittee for this review of the progress of the Veterans Administration in implementing the provisions of Public Law 96-466, "Veterans Rehabilitation and Education Amendments of 1980".

As the vocational rehabilitation program had evolved over the preceeding four decades, the Veterans Administration's efforts had been primarily focused on the restoration of employability through educational and vocational training. However, one of the shortcomings of the program, as it existed prior to the enactment of this law, was that the individual veteran was left more or less on his or her own in finding suitable employment upon completion of the program of education or training. The Veterans Administration did not have the responsibility for directly assisting the veteran in bridging the gap between retraining and actual reentrance into the working world.

Congress, in recognition of a need for a thorough review of the effectiveness and direction of the agency's vocational rehabilitation efforts, mandated a study of the program under Public Law 95-202. The findings of the study clearly highlighted the many inadequacies and shortcomings of the program as it was structured at that time. The recommendations of the study were adopted by the President in his message to Congress on October 19, 1978, on the status of the Vietnam Era veteran. Congress then undertook development and passage of legislation to accomplish a comprehensive revision and modernization of the vocational rehabilitation program. Public Law 96-466 was signed into law by the President on October 17, 1980. The American Legion supported this legislation and welcomed its enactment as a demonstration of the continuing commitment of the Federal Government to provide for and assist service-connected disabled veterans in overcoming their handicaps, regaining their place in the labor market and improving their lives. The American Legion believes that for the most part, the Veterans Administration's vocational rehabilitation program has been steadily improving over the past 2½ years. Since the establishment of the Vocational Rehabilitation and Counseling Service, the assigned mission of the program has been sigificantly broadened. The goal of rehabilitation is no longer just limited to regaining employability, but a wide variety of rehabilitative services should be made available to fully prepare the individual to return to the labor market and then to directly assist in obtaining and maintaining suitable employment. Veterans now have additional time after discharge to take advantage of this type of program, up to 12 years. The individual rehabilitation program, normally limited to 48 months, may be authorized for a longer period if a veteran has a serious employment handicap. A written rehabilitation plan developed jointly with the Rehabilitation and Counseling staff and the veteran is now utilized in planning the overall goal for each individual. In addition, following evaluation to determine the need for vocational rehabilitation, if it is not determined that such a program is feasible, the veteran can enter into an extended evaluation program and receive pretraining services. Through this extended period of evaluation, it can be determined if it is possible for the veteran to eventually enter a vocational training program, or if the veteran would benefit from a program of rehabilitation to achieve maximum independence in daily living. For those who are determined to be infeasible for a regular vocational rehabilitation program, a pilot program of independent living services and assistance was authorized for the period of Fiscal Years 1982-1985.

As a result of Public Law 96-466, the agency has made increased efforts to promote education and training. Cooperative programs have been established with the Department of Labor, the Office of Personnel Management, other placement services and its own Career Development Centers and direct placement specialists. Publicity efforts to acquaint the general public and disabled veterans in particular, together with the business community as to the benefits and services available under the new law have been effective, in our view. The primary outreach effort has been directed toward those veterans who receive an initial disability rating, or an increased evaluation of their service-connected disabilities, advising them of their potential eligibility and how to apply.

The success of the outreach effort is reflected in the increasing numbers of veterans counseled and in particular, the increased number of veterans inducted into the vocational rehabilitation program. It is interesting to note that in Fiscal Year 1980, approximately 28,000 veterans were in training under Chapter 31. For the preceeding several years, the number of veterans in the program had been steadily declining. In Fiscal Year 1981, the number of participants had increased to 29,800. In Fiscal Year 1982, there were 31,800 with expectations of at least 32,000 in training in Fiscal Year 1983.

One of the most direct measurements of the success of the vocational rehabilitation program is the number of veterans actually placed in suitable employment. According to the Veterans Administration, since April 1981, 7,867 veterans have been placed. The general unemployment rate for veterans has remained at fairly high levels for the past several years. We believe the trend of increased interest and participation in vocational rehabilitation training demonstrates that disabled veterans are severely affected by the continuing economic recession. We believe it also demonstrates the intent of this law, that the VA adopt a liberal approach to the evaluation of the rehabilitation needs of the disabled veteran.

Our experience, as well as that of our Department Service Officers, in assisting the veterans in vocational rehabilitation claims has been that we have not received a large number of complaints. We believe this speaks well for the level of service being provided by Vocational Rehabilitation and Counseling staff to the veterans and their accredited representatives.

There are several areas of concern, however, which we would like to briefly comment upon at this time. We believe that Congress in authorizing the very much needed overhaul of the vocational rehabilitation program, intended that emphasis should be placed on quality rehabilitation and not cost considerations. Accountability and budget constraints are necessary and essential elements to the effective operation and management of any such program. However, the primary goal of the expanded rehabilitation program is to enhance the employability of the disabled veteran and then to assist in obtaining and maintaining suitable employment "consistent with the individual's interests, aptitude and skills." Therefore, The American Legion is concerned that the determinations as to the need for vocational rehabilitation should not be unnecessarily restrictive. It is important in our estimation, that the veteran receive the benefit of the doubt in this evaluation process if there is some question as to the impact the service-connected disability has upon the individual's current employment, or employability if unemployed. In this regard, we have become concerned about the possible implications of certain recent policy directives from the Vocational Rehabilitation and Counseling Service to its staff in the Regional Offices. There appears to be some effort toward trying to restrict or curtail the numbers of veterans being accepted into the program. Likewise, a more restrictive interpretation is being used in determining when a veteran is "rehabilitated" and thus terminated from the program.

In the process of the initial evaluation and counseling, all aspects of the veteran's situation are to be taken into consideration- education, past work experience including military service, training and skills; the disability and the limitations to the individual's employment. If functional limitation is determined, they can then be inducted into the rehabilitation program. However, if the veteran appears to be basically coping with the serviced-connected disability and has a job, there is a strong possibility that vocational rehabilitation will be denied. Many veterans would benefit greatly from specialized education or training. Under such circumstances, we believe the need determination should consider whether or not the veteran may be underemployed because of the service-connected disability. Although significant numbers of disabled veterans are receiving vocational rehabilitation training, there are those whose economic and vocational potential is restricted by virtue of such disability. The American Legion is most concerned that these veterans not be confined to the lowest rung of the economic ladder.

We have a similar concern with regard to policy which would seek to terminate a veteran who is in training and who is employed. The law has always included criteria for determining when an individual has been "rehabilitated". However, we believe there is a disparity between the field stations and the Vocational Rehabilitation and Counseling Service as to what constitutes "suitable employment", as referred to in section 1500 of title 38, United State Code. There appears to be a need for clarification of the policy on this issue as it relates to the vocational goal stated in the written rehabilitation program.

It raises a question as to what level an individual is to be rehabilitated. Clearly, the disabled veteran is more subject to adverse economic conditions than an able-bodied individual. On the one hand, once in the program veterans are encouraged to get into the job market, but unless rehabilitated to the fullest degree the program will not, in our opinion, be fulfilling the compassionate goals set forth in Public Law 96-466.

One of the unique features of Public Law 96-466 was the provision of a pilot program of independent living services and assistance for seriously disabled veterans who are found to be infeasible for vocational rehabilitation training. This group of disabled veterans have very special needs which have never been adequately addressed in the Veterans Administration vocational rehabilitation program. The law authorized that for the period of Fiscal Years 1982-1985, up to 500 veterans per year could enter this program. A report to Congress on this program, including the accomplishments, cost effectiveness, and recommendations is to be made by September 30, 1983.

According to the Veterans Administration figures to date, only 141 veterans have been accepted, with 125 currently in the program. Coordinated efforts to locate suitable candidates are continuing with the cooperation of the Veterans Administration Department of Medicine and Surgery, health care facilities in the private sector, as well as the veterans service organizations. We would hope that as many veterans as possible can avail themselves of this unique program and would encourage the Veterans Adminsitration to increase the number of veterans in this program prior to its termination in less than 18 months.

Mr. Chairman, again we appreciate this opportunity to offer comments on the Veterans Administration Vocational Rehabilitation Program.

This concludes our statement.

Statement of

MAURICE E. LOIR
Legislative Director
of the
MILITARY ORDER OF THE PURPLE HEART

Mr. Chairman and Members of the Subcommittee:

The Military Order of the Purple Heart is pleased to be here today to present our views on the subject of vocational rehabilitation.

With the enactment of P.L. 96-466 in October 1980, we expected to see some improvement in the vocational rehabilitation program contained in Chapter 31, Title 38, U.S. Code. Generally speaking, we were not disappointed.

One important change in the program was that of providing employment assistance to veterans as they complete a period of training. Prior to this, the veteran was more or less cast out, and left to fend for himself. Certainly, job assistance should do much to facilitate the move into gainful employment. As a result of P.L. 96-466, several forms of employment assistance are described in 38 USC 1517. The resources listed include all of the job development and placement services of the Veterans Administration, the Disabled Veteran Outreach Program, the State Employment Agencies, the Office of Personnel Management, DOL's Veterans Employment and Training Service, and those agencies included under the Rehabilitation Act of 1973. In addition, the Small Business Administration is required to help in those cases where the veteran has self-employment goals. Assistance may also be provided to veterans who complete a state program of vocational rehabilitation. Our question today is, very simply, how well does it all work?

Recently, we started contacting people who are with the aforementioned agencies, who would be involved in providing these particular services. We asked about the number of veterans served, and the type of service offered. The replies were uniformly disappointing.

One somewhat positive reply came from the Small Business Administration. Recent seminars were designed to help those starting out in self-employment. We assume that individualized support efforts followed. We do not know how many of these veterans completed a Chapter 31 program, or how widely the seminar information was disseminated. Certainly the seminars are helpful and we hope to see them continue at regular intervals.

A few of the agencies falling under the aegis of the Rehabilitation Act of 1973, inform us that they do not single out the veteran for service. They do make efforts on behalf of all their clients. For the most part, the efforts are designed for particular needs: age, experience, etc. While the veteran is not identified, it appears that services are provided once an application is made.

Our best information on the Office of Personnel Management comes primarily from one region. Basically, it is business as usual. No assistance is provided unless the veteran requests it, or if a complaint is filed. There is limited contact with the VA Regional Office.

The remaining agencies mentioned can be covered collectively. We have not yet met anyone who is aware of any services for those veterans with Chapter 31 training. A few members of the VETS field staff tell us that they contacted the VARO to offer assistance, but no information was offered. To sum it all up, it appears that little assistance, if any at all, is being provided. How can this be remedied?

The VARO should inform the VETS as a veteran nears completion of a training program. Information should be provided as to the type of training and the degree of disability. The VETS in turn, can contact appropriate agencies for job development efforts, or for potential job openings. It might be possible to have a job waiting for the veteran when the training comes to an end. The VETS does have the capability to do this. With the exception of the OJT/AT program, the VARO has little to do with potential employers. For all practical purposes, the VA cannot furnish any job related services. They must rely on the cooperative efforts of the other agencies. the VETS is the key in making it all work, but as pointed out earlier, the necessary information must first be provided. In short, an effective program of employment assistance can be had.

As a final point, I would like to comment on the experience of one veteran who applied for vocational rehabilitation. Forced out of his job for medical reasons, he felt this was caused by latent effects of war service disability. He applied for Chapter 31 training in August 1981. He went through the initial steps and waited. In December 1982, he wrote to the counselor to ask that his name be withdrawn since it appeared that nothing was happening. In January 1983, the veteran received a letter stating that training was feasible and was approved. After a tentative program was prepared with a local school, the veteran wrote to the VARO asking what the next step would be. This was in March 1983. As of this date, the veteran is still waiting for a reply from the counselor. Now, after almost two years, the veteran wonders if it was worth the effort. He has given up on the idea of working again.

We are not very knowledgeable on the procedures followed in the different Regional Offices, but we certainly hope that this is an isolated incident. The veteran does have enough income so that there is no great financial need, but what if he did not have that income? Is two years a "reasonable" time period?

Once again, Mr. Chairman, our organization appreciates the opportunity to appear before the Subcommittee to present our views and opinions. Thank you.

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